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Volume 18: 1952

ERRATA

On page xx, line 24, page xxi, line 2, and page 1469, footnote 46, document 231 should be document 234.

On page 371, the date of document 247 should be January 6, 1953, not 1952.

CANADA

DOCUMENTS RELATIFS AUX RELATIONS EXTÉRIEURES DU CANADA

DOCUMENTS ON CANADIAN EXTERNAL RELATIONS

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Compilé par/Edited by
Donald Barry
University of Calgary

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INTRODUCTION

INTRODUCTION

En 1952, après trois ans de réorganisation interne, le ministère des Affaires extérieures était enfin en mesure de poursuivre adéquatement ses nouvelles activités, tant au Canada qu'à l'étranger.[1] Une fois ce projet mené à bien, Arnold Heeney quitta son poste de sous-secrétaire aux Affaires extérieures en avril et devint le premier délégué permanent du Canada auprès du nouveau Conseil de l'Atlantique Nord à Paris. Dana Wilgress, haut commissaire au Royaume-Uni, succéda à M. Heeney, cependant que Norman Robertson remplaça M. Wilgress à Londres. En septembre, de nouveaux changements se produisirent au sein du sous-secrétariat. R.A. MacKay et R.M. Macdonnell furent nommés sous-secrétaires adjoints en remplacement de Escott Reid, qui, de sous-secrétaire suppléant, devint haut commissaire en Inde, et de H.O. Moran, qui fut nommé ambassadeur en Turquie. En novembre, Charles Ritchie, sous-secrétaire adjoint, était promu au poste de sous-secrétaire suppléant. L'expansion des missions, qui s'était considérablement ralentie au moment de la réorganisation, put reprendre en 1952, bien qu'à un rythme plus modéré qu'au cours des premières années d'après-guerre (Chapitre I). Les nouvelles missions avaient essentiellement comme objectif de promouvoir les intérêts commerciaux du Canada à l'étranger (document 36).

La guerre de Corée continuait d'occuper le devant de la scène internationale, alors que les négociations de paix entre le Commandement des forces des Nations unies, placé sous la direction des Américains et les autorités chinoises et nord-coréennes retenaient de plus en plus l'attention générale (Chapitre II). Compte tenu du rôle central joué par les États-Unis dans la conduite de la guerre et au cours des pourparlers de paix, les responsables canadiens suivaient avec un intérêt de tous les instants l'évolution de la politique américaine à cet égard. Comme les responsables américains avaient tendance à prendre des décisions unilatérales, Ottawa ne cessa de rappeler à Washington combien l'information et la consultation étaient essentielles avant de passer à l'action. Toujours dans le but d'exercer une plus grande influence sur les politiques américaines, les responsables canadiens ont aussi cherché à maximiser le rôle des Nations unies lors des débats sur la Corée. Malgré des résultats mitigés, de telles démarches ont néanmoins eu pour effet d'amener les États-Unis, initialement peu favorables à cette idée, à accepter une résolution de l'Assemblée générale parrainée par l'Inde et ayant trait à la libération des prisonniers de guerre.

La délégation canadienne aux Nations unies s'occupa par ailleurs d'une foule d'autres dossiers qui retenaient l'attention de l'ONU (Chapitre III). Ainsi, même si des sujets tels que la Commission de conciliation des Nations unies pour la Palestine, l'Afrique du Sud-Ouest, la Tunisie et le Maroc ne le

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[1] Pour de plus amples renseignements concernant cette réorganisation, voir John Hilliker et Donald Barry, *Ministère des Affaires extérieures du Canada, Volume II (1946-1968)* (à paraître).

INTRODUCTION

In 1952, the Department of External Affairs emerged from a three-year administrative reorganization undertaken to enable the Department to sustain its expanded operations at headquarters and abroad.[1] In April, Arnold Heeney, who as under-secretary had been responsible for the project, left that post to become Canada's first permanent representative to the newly established North Atlantic Council in Paris. Heeney was succeeded by Dana Wilgress, the High Commissioner to the United Kingdom. Norman Robertson replaced Wilgress in London. In September, there were other changes in the under-secretarial group. R.A. MacKay and R.M. Macdonnell were appointed as assistant under-secretaries, following the departures of Escott Reid, the deputy under-secretary, who became High Commissioner to India, and H.O. Moran, who was named Ambassador to Turkey. In November, Charles Ritchie was promoted from assistant to deputy under-secretary. Post expansion, which had slowed considerably during the reorganization, resumed in 1952, although at a more measured pace than that of the early postwar years (Chapter I). The new missions created were primarily designed to promote Canada's trade interests abroad (document 36).

The Korean conflict continued to dominate the international agenda, with the armistice negotiations between the American-led United Nations Command and North Korean and Chinese authorities occupying increasing attention (Chapter II). Given the central role of the United States in the conduct of the war and in the armistice talks, that country's policies were a major preoccupation of Canadian officials. Faced with the tendency of American policy makers to act unilaterally, Ottawa pressed upon Washington the importance of providing full information and adequate opportunities for consultation in advance of contemplated actions. Canadian officials also sought to maximize the role of the United Nations in deliberations on Korea in order to enhance their capacity to influence American policies. In this, Canada achieved mixed results, although it was instrumental in persuading the United States to agree to an Indian-sponsored General Assembly resolution on the release of prisoners of war, which American officials had initially been unwilling to accept.

Beyond Korea, the Canadian delegation to the United Nations was involved in a wide range of issues which came before the organization (Chapter III). Although Canada had little direct stake in such matters as the Palestine Conciliation Commission, South West Africa, and Tunisia and Morocco, it took considerable interest in them. Its approach was conditioned by its NATO and Commonwealth associations in the context of continuing East-West tension. An important tribute to the role that Canada had played at the United

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[1] The reorganization is discussed in John Hilliker and Donald Barry, *Canada's Department of External Affairs: Coming of Age, 1946-1968*, (forthcoming).

concernaient pas directement, le Canada s'intéressa vivement à ces questions pour la bonne raison que, en tant que membre de l'OTAN et du Commonwealth, il était déjà accoutumé aux perpétuelles tensions Est-Ouest. En octobre 1952, les Nations unies rendirent un vibrant hommage au rôle que le Canada avait joué au sein de cette organisation depuis sa fondation en élisant Lester B. Pearson à la présidence de la septième session de l'Assemblée générale.

Parfois, la délégation canadienne à l'ONU réclamait la participation d'autres ministères que celui des Affaires extérieures (Chapitre IV). Ceux-ci collaboraient habituellement de bonne grâce, mais des frictions ne manquaient pas de se produire à l'occasion, comme ce fut notamment le cas au sujet de la Commission du désarmement. Les responsables du ministère de la Défense nationale étant peu enclins à s'occuper de questions politiques, la délégation canadienne ne put participer pleinement aux débats de la Commission. Par ailleurs, le ministère des Affaires extérieures était en désaccord avec celui des Finances sur la question des principes régissant les contributions volontaires aux diverses institutions de l'ONU. Aux Affaires extérieures, on voyait d'un mauvais œil les tentatives des responsables des Finances d'appliquer des critères rigoureux de performance financière relativement aux contributions canadiennes. Le ministère des Affaires extérieures souhaitait plus de souplesse afin d'apporter son soutien à certains programmes louables. Dans le cas des organisations internationales fonctionnelles, les deux ministères s'entendaient toutefois assez bien sur l'importance qu'il y avait, pour leur bon fonctionnement, de doter ces organismes de programmes conçus avec soin et de méthodes administratives et comptables efficaces, tout en veillant à ce que les contributions financières qui leur étaient versées par les États participants fussent équitables.

Après la réorganisation de l'OTAN, qui eut pour conséquence la mise sur pied d'un secrétariat placé sous la direction d'un secrétaire général et d'un conseil permanent ayant leur siège à Paris, il devint essentiel de détacher une délégation canadienne permanente auprès de cet organisme (Chapitre V). La question de l'élaboration d'accords satisfaisants relativement aux consultations entre les «trois grands» (les États-Unis, la France et le Royaume-Uni) et les autres membres de l'alliance fut au cœur des préoccupations de la délégation et des responsables à Ottawa tout au long de 1952. Malgré l'intérêt qu'il portait à l'établissement de liens appropriés entre les pays de l'OTAN et l'Australie et la Nouvelle-Zélande, le Canada continua de s'opposer à l'idée de voir l'alliance étendre ses responsabilités aux colonies des puissances européennes. En vertu de ce principe, le premier ministre Saint-Laurent s'opposa vigoureusement à une demande formulée par les autorités françaises en vue d'acheminer vers l'Indochine l'assistance militaire offerte à la France sous forme d'aide mutuelle.

Le gouvernement canadien avait entrepris des négociations avec le Mexique et le Pérou relativement à des accords sur le transport aérien destinés à établir de nouveaux liens avec ces pays (Chapitre VI). Lors de la sixième session de l'Assemblée de l'OACI, Ottawa dut par ailleurs contrer une offensive concertée de la part d'un groupe d'États arabes, européens et latino-américains désireux

Nations since its foundation was the election of L.B. Pearson as President of the Seventh Session of the General Assembly in October 1952.

The delegation's participation in certain issues at the United Nations required the involvement of departments other than External Affairs (Chapter IV). While working relations with other departments were generally cooperative, on occasion there were differences. This was the case with regard to the Disarmament Commission. Because of the unwillingness of National Defence officials to cooperate in the formulation of policy, the delegation was unable to participate fully in that body's deliberations. Similarly, External Affairs and the Department of Finance were at odds over the principles governing voluntary contributions to United Nations agencies. External viewed with some concern attempts by Finance to attach strict financial performance criteria to Canada's contributions. It favoured a more flexible approach which would facilitate the operation of worthwhile programs. Within functional international organizations, the two departments were in general agreement that well-conceived programs, sound budgetary and administrative practices, and equitable financial contributions by participating states were important in ensuring effective operation.

The reorganization of NATO which resulted in the creation of a secretariat, headed by a Secretary-General and a permanent council, headquartered in Paris, required the establishment of a permanent Canadian delegation to the organization (Chapter V). One of the major matters occupying the delegation and policy makers in Ottawa during 1952 was the question of working out satisfactory arrangements for consultation between the "Big Three" (the United States, the United Kingdom and France) and the other members of the alliance. Although Ottawa was interested in establishing suitable liaison arrangements between NATO countries and Australia and New Zealand, it remained opposed to extending the alliance's responsibilities to the dependencies of European powers. On this basis Prime Minister St. Laurent strongly opposed a French request to direct to Indochina military assistance offered to France as mutual aid.

The Canadian government was engaged in negotiations for air agreements with Mexico and Peru, which would establish new links with those countries (Chapter VI). In addition, Ottawa had to deal with a concerted attempt by a group of Arab, European and Latin American states at the Sixth Session of the International Civil Aviation Organization to transfer the organization's headquarters from Montreal to Europe or Latin America. The group's main goal was to lessen the influence of the United States in civil aviation matters. Also important was the cost of maintaining the headquarters in Montreal, and the refusal of Premier Maurice Duplessis' government and the City of Montreal to grant privileges and immunities falling within their jurisdiction to the organization and its employees, a factor that constrained Ottawa's capacity to deal with concerns that were raised. The Assembly narrowly defeated the proposal.

Commonwealth relations were primarily concerned with economic issues following the balance of payment crisis experienced by several sterling bloc

de transférer en Europe ou en Amérique latine le siège central de l'organisation. Cette tentative visait principalement à réduire l'influence des États-Unis dans le domaine de l'aviation civile, mais une autre question revêtait une importance énorme dans ce débat: le coût élevé du maintien du siège social de l'organisation à Montréal, auquel s'ajoutait le refus du gouvernement de Maurice Duplessis et de la Ville de Montréal d'accorder à l'OACI et à ses employés les privilèges et les immunités relevant de leurs juridictions respectives, limitant ainsi d'autant la capacité d'intervention du gouvernement canadien. L'Assemblée rejeta malgré tout la proposition par une faible majorité.

Par suite de la crise de la balance des paiements que plusieurs pays du bloc sterling avaient traversée à la fin de 1951, les membres du Commonwealth étaient surtout préoccupés par des questions d'ordre économique (Chapitre VII). Lors de la réunion des ministres des Finances du Commonwealth qui eut lieu en janvier et lors de la Conférence économique du Commonwealth à laquelle les chefs de gouvernement participèrent à la fin novembre et au début décembre, les efforts portèrent principalement sur les mesures à prendre pour renforcer la position du bloc. Au cours de ces débats, le Canada put néanmoins plaider avec succès en faveur d'une libéralisation du commerce international tout en maintenant sa position en tant qu'exportateur au sein des pays de la zone sterling. Le Plan Colombo retint par ailleurs passablement l'attention d'Ottawa quoique, à compter de 1952, il fut moins question d'élaborer des politiques à cet égard que d'administrer le programme canadien et d'entamer des négociations sur les projets à venir.

Les relations canado-américaines étaient dominées par des préoccupations d'ordre économique et stratégique (Chapitre VIII). Par suite de l'accroissement de la puissance militaire soviétique, le besoin se fit de plus en plus sentir, surtout du côté des États-Unis, d'assurer la protection aérienne du territoire nord-américain. Après avoir étudié les demandes des Américains en fonction de leur nécessité militaire, les dirigeants des Forces armées canadiennes cherchèrent à intensifier la coopération dans certains domaines. Ainsi, au début de 1952, un haut responsable de la Force aérienne canadienne suggéra l'idée d'un commandement intégré de défense antiaérienne pour tout le territoire nord-américain (document 698). De son côté, la direction des Affaires extérieures était plutôt portée à craindre les conséquences que de tels accords bilatéraux pourraient avoir pour la souveraineté canadienne.

Le Canada était aussi grandement préoccupé par les désaccords qui subsistaient entre l'administration Truman et le Congrès au sujet de la mise en œuvre de la politique économique américaine. L'incapacité du gouvernement américain à persuader le Congrès d'approuver le Projet d'accord entre le Canada et les États-Unis pour la canalisation et l'aménagement hydro-électrique du bassin des Grands Lacs et du Saint-Laurent poussa Ottawa à donner suite, avec la bénédiction du président américain, à son propre projet. Le gouvernement canadien s'inquiétait également au sujet de la loi imposant des quotas aux importations de produits laitiers aux États-Unis. Ottawa était inquiet des effets d'une telle mesure sur les exportations canadiennes et il

countries in late 1951 (Chapter VII). How to strengthen the position of the bloc was the main focus of the meeting of Commonwealth Finance Ministers in January, and the Commonwealth Economic Conference, attended by heads of government, in late November and early December. Canada's role in those deliberations reflected its interest in maintaining a liberal system of international trade, as well as its own export position vis-à-vis sterling area countries. Colombo Plan matters also occupied considerable attention in Ottawa, although by 1952 the focus had shifted away from policy to the administration of Canada's program, and negotiations for future projects.

Canada's relations with the United States were dominated by strategic and economic issues (Chapter VIII). The growth of Soviet military capabilities led to an increasing emphasis on North American air defence, the impetus for which came from the United States. Canadian military authorities, who approached American requests for new defence projects from the standpoint of military necessity, sought to intensify cooperation in some areas. For instance, in early 1952, a senior Canadian air force official advanced the concept of an integrated North American air defence command (document 698). External Affairs officials, by contrast, tended to be more sensitive to the implications of bilateral defence arrangements for Canadian sovereignty.

An important Canadian concern vis-à-vis the United States related to disagreements between the Truman administration and Congress over the conduct of economic policy. The administration's failure to persuade Congress to approve the Great Lakes-St. Lawrence Basin Agreement for the joint construction of the St. Lawrence Seaway and Power Project prompted Ottawa, with the President's approval, to proceed with its own plan. The government was also concerned about legislation imposing quotas on dairy products imported into the United States. Ottawa's anxiety stemmed from the effect of this action on Canadian exports and the possible implications for multilateral trade liberalization.

Canada's views of developments in Western Europe continued to be conditioned by its relationship with the United Kingdom and membership in NATO (Chapter IX). Although External Affairs was kept well informed of the progress of European integration by its missions abroad, the department's files contain little evidence of attempts to assess the implications for Canada. Ottawa maintained a more active interest in the work of the Organization for European Economic Cooperation, the main focus being the steps taken by European countries in the direction of currency convertibility and trade liberalization.

The government's familiarity with political developments in the Middle East, on the other hand, was limited, although the need for greater understanding was recognized. This problem was experienced especially at the United Nations where the Canadian delegation had to respond to issues, stemming from continuing Arab-Israeli tensions, which frequently came before the General Assembly. The instrumental role played by the delegation in averting a breakdown of the Palestinian Conciliation Commission, at the Sixth General Assembly, largely due to the presence of Elizabeth MacCallum, External's

craignait ses répercussions éventuelles sur la libéralisation des échanges multilatéraux.

Le Canada continuait d'évaluer les changements qui se produisaient en Europe de l'Ouest en fonction de ses liens avec le Royaume-Uni et de son appartenance à l'OTAN (Chapitre IX). Même si les missions canadiennes à l'étranger tenaient le Ministère des Affaires extérieures au courant des progrès réalisés au niveau de l'intégration européenne, il n'est guère fait mention, dans les dossiers du Ministère, des tentatives d'en évaluer les conséquences pour le Canada. Ottawa était plus directement intéressé aux travaux de l'Organisation européenne de coopération économique, son attention étant principalement tournée vers les mesures prises par les pays européens pour assurer la convertibilité de leurs monnaies respectives et parvenir à une plus grande libéralisation de leurs échanges commerciaux.

Le gouvernement canadien était par ailleurs moins familiarisé avec la situation qui prévalait au Moyen-Orient, mais il demeurait persuadé de la nécessité d'en apprendre davantage sur le sujet. Il prit notamment conscience de ses lacunes à cet égard le jour où la délégation canadienne aux Nations unies dut prendre position sur des questions fréquemment soulevées à l'Assemblée générale par suite des perpétuelles tensions israélo-arabes. Lors de la sixième Assemblée générale, la délégation canadienne contribua, en grande partie grâce à Elizabeth MacCallum, la principale experte en la matière au sein du Ministère, à empêcher l'éclatement de la Commission de conciliation des Nations unies pour la Palestine, ce qui ne fit que confirmer l'utilité de posséder de solides connaissances sur cette région (document 231).

Comme les rapports bilatéraux entre le Canada et l'Union soviétique et les pays de l'Est demeuraient limités, la plupart des activités des missions canadiennes en place à Moscou et dans les autres capitales de l'Europe de l'Est consistaient à faire état de l'évolution de la situation dans ces pays (Chapitre X). Les dépêches reproduites donnent une idée de l'orientation prise par la mission à Moscou.

En 1952, la politique canadienne en Extrême-Orient était axée surtout sur le Japon (Chapitre XI). L'entrée en vigueur, en avril de cette même année, du traité de paix fut suivie du rétablissement intégral des relations diplomatiques entre le Canada et le Japon. L'un des principaux points à l'ordre du jour des deux pays fut la conclusion d'un nouvel accord commercial. La situation en Indochine retenait également l'attention du gouvernement canadien. Tout en décidant, en décembre 1952, de procéder à une reconnaissance conditionnelle du Laos, du Vietnam et du Cambodge en tant qu'«États associés au sein de l'Union française», Ottawa fit preuve de prudence en rejetant les nouvelles tentatives de la France pour obtenir l'aide de l'OTAN dans cette région.

La mise sur pied, en 1952, de nouvelles missions en Amérique latine et la décision d'envoyer une importante délégation commerciale dans cette région au début de 1953 traduisaient la volonté du Canada d'entretenir des liens économiques plus étroits avec les pays d'Amérique latine. Toutefois, lorsque les États-Unis invitèrent officieusement le Canada à se joindre à l'Organisation des États américains, les responsables des Affaires extérieures crurent

leading expert on the region, demonstrated the value of such expertise (document 231).

As a result of Canada's bilateral interaction with the Soviet Union and Eastern Europe being limited, much of the activity of the missions in Moscow and other Eastern European capitals consisted of reporting on developments in those countries (Chapter X). A selection of despatches indicating trends being followed by the mission in Moscow is printed.

The main focus of Canadian policy in the Far East in 1952 was Japan (Chapter XI). The coming into force of the peace treaty in April was followed by the restoration of full diplomatic relations between the two countries. The principal item on the bilateral agenda was the conclusion of a new trade agreement. Also receiving attention was the situation in Indochina. While Ottawa decided to extend qualified recognition to Laos, Vietnam and Cambodia as "Associated States within the French Union," in December 1952, it maintained a cautious attitude, rejecting renewed French efforts to secure aid to the region for NATO purposes.

The creation of new posts in Latin America during 1952, together with the decision to despatch a major trade mission to that area in early 1953, demonstrated Canada's interest in cultivating closer economic ties with the countries of the region. However, the generally negative response among External Affairs officials to an informal American overture to join the Organization of American States indicated that Canada was reluctant to play a larger political role in Latin America.

In selecting documents for this volume, I have been guided by the principles set out in the Introduction to Volume 7 (pp. ix-xi) of this series. One source of difficulty in following the principles was the huge growth of the postwar documentary record, reflecting Canada's expanding foreign policy agenda. To some extent it was possible to compensate for this by relying more heavily than previous editors on summary documents such as the reports of the weekly meetings of heads of division, Cabinet Conclusions and documents prepared for cabinet. Even so, the amount of material was such that a more selective approach had to be adopted to the source material and subjects examined.

Accordingly, I decided to confine comprehensive coverage to the files of the Department of External Affairs, the L.B. Pearson papers and the records of the Privy Council Office, the last as a result of the PCO's centrality in the Ottawa policy process. Other collections were consulted only when required to complete the examination of individual topics.

A second source of difficulty was the complexity of some subjects by comparison with the wartime and early postwar years. To have dealt with such subjects adequately would have required the inclusion of a much greater number of documents than could have been accommodated in the volume. To have done so, moreover, would have given such lengthy treatment to those subjects as to distort the balance of importance of the issues arising during the period. These considerations led to the omission of certain highly complex and detailed subjects such as the annual review and mutual aid processes in

généralement bon de refuser l'invitation, ce qui montre que le Canada hésitait à jouer un rôle politique accru en Amérique latine.

On trouvera dans l'introduction au Volume 7 (pp. viii-x) les principes qui m'ont guidé dans le choix des documents contenus dans le présent volume. Il a toutefois été difficile d'appliquer ces principes à la lettre à cause de l'impressionnante somme de documents qui datent de l'après-guerre, et qui sont autant de témoins de la multiplication des activités du Canada en matière de politique étrangère. Il m'a été possible, dans une certaine mesure, de contourner cette difficulté en m'appuyant davantage que mes prédécesseurs sur des documents de synthèse tels que rapports de réunions hebdomadaires des chefs de direction, conclusions du Cabinet ou documents préparés à l'intention du Cabinet. Il m'a néanmoins fallu faire un tri parmi ces trop nombreuses sources et les innombrables sujets à ma disposition.

J'ai donc décidé de concentrer mon attention sur les dossiers du ministère des Affaires extérieures et de L.B. Pearson et sur les documents du Bureau du Conseil privé (dans ce dernier cas, en raison du rôle central que le Bureau du Conseil privé joue dans les prises de décisions politiques à Ottawa). J'ai consulté d'autres dossiers au besoin, notamment lorsqu'il me fallait compléter les renseignements que je possédais sur un thème particulier.

Autre facteur de difficulté : certains sujets étaient devenus plus complexes qu'ils ne l'étaient pendant ou immédiatement après la guerre. Pour traiter ces sujets en profondeur, il m'aurait fallu inclure davantage de documents que ce volume n'en peut contenir. Et quand même la chose serait possible, ces sujets prendraient trop d'importance par rapport à d'autres questions plus caractéristiques de cette période. Par conséquent, j'ai renoncé à aborder des questions aussi détaillées et complexes que le rapport annuel de l'OTAN et les dispositions de cet organisme relativement à l'aide mutuelle. J'ose espérer que les sujets retenus donneront un aperçu des grandes orientations prises par le Canada concernant les domaines ainsi évacués.

Certains sujets n'ont pas été éliminés uniquement pour des raisons de complexité. Si certains documents ne sont pas reproduits, c'est que je n'en ai trouvé aucune trace dans les dossiers consultés. C'est notamment le cas en ce qui concerne l'énergie atomique.

L'édition du présent volume est basée sur les mêmes principes que ceux décrits dans l'introduction au Volume 9 (pp. xviii-xx). Une croix (+) à la fin d'une référence à un autre document indique que le document en question n'est pas reproduit dans le volume. Dans le texte d'un document, des points de suspension . . . indiquent une omission par le compilateur.

J'ai eu accès à tous les documents conservés dans les fichiers du registre central du ministère des Affaires extérieures, à ceux du Bureau du Conseil privé et à ceux de L.B. Pearson. Les préposés des autres bibliothèques m'ont aimablement permis de consulter au besoin les documents dont ils sont les dépositaires. Le ministère des Affaires extérieures et du Commerce extérieur du Canada m'a refusé la permission de publier deux des documents qui devaient figurer dans le présent ouvrage. Conformément aux Lois sur l'accès à

NATO. I hope that the main lines of Canadian foreign policy in the subject areas affected will be clear from the issues chosen for treatment.

Complexity was not always the reason for omitting subjects. The absence of documents on some subjects reflects the lack of material in the relevant files. This was the case with atomic energy.

The editorial devices used in this volume are similar to these described in the Introduction to Volume 9 (p. xix). A dagger (+) indicates that a document has not been printed, ellipses . . . indicate an editorial excision.

I was given full access to the available records in the central registry files of the Department of External Affairs, those of the Privy Council Office and the L.B. Pearson papers. The custodians of other collections were generous in granting access to materials when requested. Two documents selected for inclusion were withheld by External Affairs and International Trade Canada. Personal information was removed from documents 284, 430, 613 and 947 in compliance with the Access to Information and Privacy Acts. The remaining editorial exclusions were made to improve the clarity of individual documents.

I am grateful to Arthur Blanchette, the former Director of the department's Historical Division, and to John Hilliker, the present Head of the Historical Section, for advice and encouragement. Janet Bax, Director of the Academic Relations Division when the work was completed, was most supportive. I was assisted in the initial selection of documents by Christopher Cook and E.A. Kelly. Our research was made easier by the cooperation received from Jeannette K. Fournier, the former supervisor of the department's Semi-Active Records unit, and the archival staff of the National Archives of Canada. The technical editing group consisted of Isobel Cameron, Geneviève de Chantal, Elizabeth Heatherington, Dawn Jones, Liza Linklater and Laurel Pardy. I thank them all.

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l'information et sur la protection des renseignements personnels, certaines informations de nature personnelle ont été retranchées des documents 284, 430, 613 et 947. Toutes les autres omissions ont eu pour seul but de faciliter la compréhension des documents publiés.

Je remercie Arthur Blanchette, ex-directeur de la Direction des affaires historiques du Ministère, et John Hilliker, le directeur actuel de la Section historique, pour leurs conseils et leurs encouragements. Je tiens à souligner l'aide précieuse que m'a apportée Janet Bax, directrice de la Direction des relations internationales en matière d'éducation, à compter de la fin de la rédaction du présent ouvrage. Christopher Cook et E.A. Kelly m'ont quant à eux apporté leur soutien au cours du processus de sélection initiale des documents. Jeannette K. Fournier, ex-surveillante du service des Documents semi-actifs du Ministère, et le personnel des Archives nationales du Canada nous ont facilité la tâche à cet égard. La préparation technique de l'ouvrage a été menée à bien grâce aux bons soins d'Isobel Cameron, de Geneviève de Chantal, d'Elizabeth Heatherington, de Dawn Jones, de Liza Linklater et de Laurel Pardy. A tous, mes plus sincères remerciements.

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PROVENANCE DES DOCUMENTS[2]
LOCATION OF DOCUMENTS[2]

Documents de C.D. Howe, Archives nationales (MG 27)	C.D.H.	C.D. Howe Papers, National Archives (MG 27)
Dossiers du ministère de la Citoyenneté et de l'Immigration, Archives nationales (RG 76)	DCI	Department of Citizenship and Immigration Files, National Archives (RG 76)
Dossiers du ministère des Affaires extérieures	DEA	Department of External Affairs Files
Collection de la bibliothèque, Affaires extérieures et Commerce extérieur Canada	DEA/ Library	Library Collection, External Affairs and International Trade Canada
Dossiers du ministère des Finances, Archives nationales (RG 19)	DF	Department of Finance Files, National Archives (RG 19)
Documents de L.B. Pearson, Archives nationales (MG 26 N1)	L.B.P.	L.B. Pearson Papers, National Archives (MG 26 N1)
Documents de L.S. St-Laurent, Archives nationales (MG 26 L)	L.S.L.	L.S. St. Laurent Papers, National Archives, (MG 26 L)
Bureau du Conseil privé	PCO	Privy Council Office

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[2] Ceci est une liste des symboles utilisés pour indiquer la provenance des documents. Les cotes des collections déposées aux Archives nationales du Canada sont entre parenthèses.
This is a list of the symbols used to indicate the location of documents. The call numbers of collections deposited at the National Archives of Canada are in parentheses.

LISTE DES ABRÉVIATIONS
LIST OF ABBREVIATIONS

ANZUS	Australia, New Zealand, United States
AOC	Air Officer Commanding
BENELUX	Belgium, Netherlands, Luxembourg
BLEU	Belgium-Luxembourg Economic Union
CANAC	Permanent Delegation of Canada to North Atlantic Council, Paris
CCC	Canadian Commercial Corporation
CJS	Canadian Joint Staff
CJS(W)	Canadian Joint Staff, Washington
COCOM	Coordinating Committee on Export Controls
CPDUN	Canadian Permanent Delegation to United Nations
CRO	Commonwealth Relations Office
CSC	Chief of Staff Committee
DRB	Defence Research Board
ECAFE	Economic Commission for Asia and the Far East
ECOSOC	Economic and Social Council of the United Nations
ECSC	European Coal and Steel Community
EDC	European Defence Community
EPTA	Expanded Program of Technical Assistance
EPU	European Payments Union
FAO	Food and Agriculture Organization
FEB	Financial and Economic Board
FPC	Federal Power Commission
GATT	General Agreement on Tariffs and Trade Accord général sur les tarifs douaniers et le commerce
IBRD	International Bank for Reconstruction and Development
ICAO	International Civil Aviation Organization
ICRC	International Committee of the Red Cross
IJC	International Joint Commission
ILO	International Labour Organization
IMF	International Monetary Fund
IWC	International Wheat Council
JPC	Joint Planning Committee
JPS	Joint Planning Staff
MCC	Military Cooperation Committee (Canada-United States)
MEDO	Middle East Defence Organization
MSA	Mutual Security Agency
NATIS	North Atlantic Treaty Organization Information Service
NATO	North Atlantic Treaty Organization
OAS	Organization of American States
OEEC	Organization for European Economic Cooperation
OFAR	Office of Foreign Agriculture Relations of the United States
PCC	Palestine Conciliation Commission
PJBD	Permanent Joint Board on Defence
RCAF	Royal Canadian Air Force
ROK	Republic of Korea
SAC	Strategic Air Command
SACEUR	Supreme Allied Commander, Europe
SACLANT	Supreme Allied Commander, Atlantic
SHAPE	Supreme Headquarters, Allied Powers, Europe
S/L	Squadron Leader

TAB	UNITED NATIONS TECHNICAL ASSISTANCE BOARD
TCA	TECHNICAL COOPERATION ADMINISTRATION
TCC	TEMPORARY COUNCIL COMMITTEE (NATO)
UNC	UNITED NATIONS COMMAND
UNCURK	UNITED NATIONS COMMISSION FOR UNIFICATION AND REHABILITATION OF KOREA
UNESCO	UNITED NATIONS EDUCATIONAL, SCIENTIFIC AND CULTURAL ORGANIZATION
UNICEF	UNITED NATIONS INTERNATIONAL CHILDREN'S EMERGENCY FUND
UNKRA	UNITED NATIONS KOREAN RECONSTRUCTION AGENCY
UNRWAPNE	UNITED NATIONS RELIEF AND WORKS AGENCY FOR PALESTINE REFUGEES IN THE NEAR EAST
UNRWAPR	UNITED NATIONS RELIEF AND WORKS AGENCY FOR PALESTINE REFUGEES
UPU	UNIVERSAL POSTAL UNION
USAF	UNITED STATES AIR FORCE
USDA	UNITED STATES DEPARTMENT OF AGRICULTURE
USN	UNITED STATES NAVY
W/C	WING COMMANDER
WHO	WORLD HEALTH ORGANIZATION

LISTE DES PERSONNALITÉS[3]
LIST OF PERSONS[3]

Abbott, Douglas C., ministre des Finances.	Abbott, Douglas C., Minister of Finance.
Acheson, Dean G., secrétaire d'État des États-Unis.	Acheson, Dean G., Secretary of State of United States.
Adenauer, Konrad, chancelier de la République fédérale d'Allemagne et ministre des Affaires étrangères.	Adenauer, Konrad, Chancellor of Federal Republic of Germany and Minister of Foreign Affairs.
Alexander of Tunis, Harold R.L.G., maréchal et comte, gouverneur général (-mars); ministre de la Défense du Royaume-Uni.	Alexander of Tunis, Harold R.L.G., Field Marshal and Earl, Governor General (-Mar.); Minister of Defence of United Kingdom.
Allen, Ward P., conseiller pour des affaires des Nations unies, Direction générale des Affaires européennes, département d'État des États-Unis.	Allen, Ward P., United Nations Adviser, Bureau of European Affairs, Department of State of United States.
Allison, John M., sous-secrétaire d'État suppléant aux Affaires d'Extrême-Orient des États-Unis (-janv.); secrétaire d'État adjoint aux Affaires d'Extrême-Orient.	Allison, John M., Acting Assistant Secretary of State for Far Eastern Affairs of United States (-Jan.); Assistant Secretary of State for Far Eastern Affairs.
Alphand, Hervé, représentant permanent de la France au Conseil de l'Atlantique Nord.	Alphand, Hervé, Permanent Representative of France on North Atlantic Council.
Bajpai, Sir Girja S., secrétaire général du ministère des Affaires extérieures de l'Inde (-mai).	Bajpai, Sir Girja S., Secretary-General of Ministry of External Affairs of India (-May).
Baldwin, J.A., président, Commission des transports aériens.	Baldwin, J.A., Chairman, Air Transport Board.
Barco, James W., conseiller, Mission permanente des États-Unis auprès des Nations unies; membre de la Commission de conciliation pour la Palestine à la sixième session de l'Assemblée générale.	Barco, James W., Adviser, Permanent Mission of United States to United Nations; Member of Conciliation Commission for Palestine at Sixth Session of General Assembly.
Beyen, Johan W., ministre des Affaires étrangères des Pays-Bas (sept.-), poste détenu conjointement avec Joseph Luns.	Beyen, Johan W., Minister of Foreign Affairs of the Netherlands (Sept.-), position held jointly with Joseph Luns.
Bishop, major-général W.H.A., secrétaire adjoint, ministère des Relations du Commonwealth du Royaume-Uni.	Bishop, Major-General W.H.A., Assistant Secretary, Commonwealth Relations Office of United Kingdom.
Bliss, Don C., ministre, ambassade des États-Unis.	Bliss, Don C., Minister, Embassy of United States.

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[3] Ceci est une sélection des principales personnalités canadiennes et de certaines personnalités de l'étranger souvent mentionnées dans les documents. Les notices biographiques se limitent aux fonctions qui se rapportent aux documents reproduits dans ce volume.
This is a selection of important Canadian personalities and some foreign personalities often mentioned in the documents. The biographical details refer only to the positions pertinent to the documents printed herein.

Bradley, général Omar N., président du comité des chefs d'état-major des États-Unis.	Bradley, General Omar N., Chairman, Joint Chiefs of Staff of United States.
Bridgeford, lieutenant-général W., commandant en chef, Forces du Commonwealth en Corée.	Bridgeford, Lieutenant-General W., Commander-in-Chief, Commonwealth Forces in Korea.
Brofoss, Erik, ministre du Commerce de Norvège.	Brofoss, Erik, Minister of Commerce of Norway.
Brownell, Herbert Jr., membre, Conseil judiciaire, État de New York; nommé Procureur général des États-Unis en novembre.	Brownell, Herbert Jr., Member, Judicial Council, State of New York; appointed Attorney-General of United States in November.
Bruce, David K.E., ambassadeur des États-Unis en France (-mars); sous-secrétaire d'État des États-Unis.	Bruce, David K.E., Ambassador of United States in France (-Mar.); Under-Secretary of State of United States.
Bryce, R.B., sous-ministre adjoint des Finances.	Bryce, R.B., Assistant Deputy Minister of Finance.
Bull, W.F., sous-ministre du Commerce.	Bull, W.F., Deputy Minister of Trade and Commerce.
Burbridge, K.J. chef, Division juridique; conseiller, délégation à la septième session de l'Assemblée générale des Nations unies.	Burbridge, K.J., Head, Legal Division; Adviser, Delegation to Seventh Session of General Assembly of United Nations.
Butler, R.A., chancelier de l'Échiquier du Royaume-Uni.	Butler, R.A., Chancellor of Exchequer of United Kingdom.
Casey, Richard G., ministre des Affaires extérieures d'Australie.	Casey, Richard G., Minister for External Affairs of Australia.
Cavell, R.G. (Nik), Direction de la Coopération économique et technique internationale, ministère du Commerce.	Cavell, R.G. (Nik), International Economic and Technical Co-operation Division, Department of Trade and Commerce.
Chevrier, Lionel, ministre des Transports.	Chevrier, Lionel, Minister of Transport.
Tchang Kai-chek, généralissime, président de la République de Chine.	Chiang Kai-shek, Generalissimo, President of Republic of China.
Chipman, Warwick, haut-commissaire en Inde.	Chipman, Warwick, High Commissioner in India.
Churchill, Winston S., premier ministre et premier lord du Trésor du Royaume-Uni; ministre de la Défense (-janv.).	Churchill, Winston S., Prime Minister and First Lord of the Treasury of United Kingdom; Minister of Defence (-Jan.).
Clark, général Mark, Armée des États-Unis, commandant en chef, Extrême-Orient, et commandant en chef, Commandement des Nations unies (Corée) et gouverneur des îles Ryukyu (mai-).	Clark, General Mark, United States Army, Commander-in-Chief, Far East, and Commander-in-Chief, United Nations Command (Korea) and Governor of Ryukyu Islands (May-).
Clark, W.C., sous-ministre des Finances.	Clark, W.C. Deputy Minister of Finance.
Claxton, Brooke, ministre de la Défense nationale.	Claxton, Brooke, Minister of National Defence.
Curtis, maréchal de l'air W.A., chef de l'état-major des forces aériennes.	Curtis, Air Marshal W.A., Chief of Air Staff.
Davis, T.C., ambassadeur en République fédérale d'Allemagne.	Davis, T.C., Ambassador in Federal Republic of Germany.
Deutsch, J.J., directeur, Direction des Relations économiques internationales, ministère des Finances.	Deutsch, J.J., Director, International Economic Relations Division, Department of Finance.

DRAPER, W.H., représentant spécial des Nations unies en Europe (janv.-); représentant au Conseil de l'Atlantique Nord (avr.-).	DRAPER, W.H., Special Representative of United States in Europe (Jan.-); Representative on North Atlantic Council (Apr.-).
DULLES, J.F., conseiller auprès du secrétaire d'État des États-Unis (-mars); nommé secrétaire d'État en novembre.	DULLES, J.F., Consultant to Secretary of State of United States (-Mar.); appointed Secretary of State in November.
DUPLESSIS, Maurice, premier ministre du Québec.	DUPLESSIS, Maurice, Premier of Province of Quebec.
EBAN, Abba, représentant permanent d'Israël aux Nations unies; président, délégation à la septième session de l'Assemblée générale.	EBAN, Abba, Permanent Representative of Israel to United Nations; Chairman, Delegation to Seventh Session of General Assembly.
EBERTS, C.C., Bureau du Conseil privé; Direction des Amériques et de l'Extrême-Orient; chef, Direction des Amériques (sept.-).	EBERTS, C.C., Privy Council Office; American and Far Eastern Division; Head, American Division (Sept.-).
EDEN, Anthony, secrétaire d'État aux Affaires étrangères du Royaume-Uni; président, délégation à la septième session de l'Assemblée générale des Nations unies.	EDEN, Anthony, Secretary of State for Foreign Affairs of United Kingdom; Chairman, Delegation to Seventh Session of General Assembly of United Nations.
EISENHOWER, général Dwight D., commandant suprême des Forces alliées en Europe (-mai); président élu des États-Unis en novembre.	EISENHOWER, General of the Army Dwight D., Supreme Allied Commander in Europe (-May); elected President of United States in November.
FEAVER, H.F., chef du Protocole.	FEAVER, H.F., Chief of Protocol.
FISHER, Adrian S., conseiller juridique, département d'État des États-Unis.	FISHER, Adrian S., Legal Adviser, Department of State of United States.
FORD, R.A.D., chargé d'affaires, ambassade en Union soviétique.	FORD, R.A.D., Chargé d'Affaires, Embassy in Soviet Union.
FOSTER, W.D., sous-secrétaire à la Défense des États-Unis.	FOSTER, W.D., Deputy Secretary of Defence of United States.
FOULKES, lieutenant-général C., président, Comité des chefs d'état major.	FOULKES, Lieutenant-General C., Chairman, Chiefs of Staff Committee.
GARSON, Stuart, ministre de la Justice; vice-président, délégation à la sixième session de l'Assemblée générale des Nations unies.	GARSON, Stuart, Minister of Justice; Vice-Chairman, Delegation to Sixth Session of General Assembly of United Nations.
GEORGE, James, conseiller, délégation permanente aux Nations unies; conseiller, septième session de l'Assemblée générale.	GEORGE, James, Adviser, Permanent Delegation to United Nations; Adviser to Seventh Session of General Assembly.
GLAZEBROOK, G.P. de T., chef, II^e Direction de liaison avec la Défense.	GLAZEBROOK, G.P. de T., Head, Defence Liaison (2) Division.
GROSS, Ernest A., représentant suppléant des États-Unis aux Nations unies et représentant suppléant au Conseil de sécurité.	GROSS, Ernest A., Deputy Representative of United States to United Nations and Deputy Representative on Security Council.
GRUENTHER, lieutenant-général A.M., Armée des États-Unis, chef d'état-major auprès du commandant suprême des Forces alliés en Europe.	GRUENTHER, Lieutenant-General A.M., United States Army, Chief of Staff to Supreme Allied Commander in Europe.
HARRISON, major-général W.K., membre de plein droit, délégation de l'Armistice du Commandement des Nations unies (Corée) (fév.-); délégué principal (mai-).	HARRISON, Major-General W.K., Plenary Member, United Nations Command (Korea) Armistice Delegation (Feb.-); Senior Delegate (May-).
HEASMAN, G.R., directeur, Service des délégués commerciaux, ministère du Commerce.	HEASMAN, G.R., Director, Trade Commissioner Service, Department of Trade and Commerce.

HEENEY, A.D.P., sous-secrétaire d'État aux Affaires extérieures (-avr.); représentant permanent, Conseil de l'Atlantique Nord et Organisation européenne de coopération économique.	HEENEY, A.D.P., Under-Secretary of State for External Affairs (-Apr.); Permanent Representative, North Atlantic Council and Organization for European Economic Co-operation.
HEMSLEY, Stuart, chef, Direction des Finances.	HEMSLEY, Stuart, Head, Finance Division.
HENKIN, Louis, Bureau des Affaires politiques et de sécurité des Nations unies, département d'État des États-Unis.	HENKIN, Louis, Office of United Nations Political and Security Affairs, Department of State of United States.
HICKERSON, John D., secrétaire d'État adjoint aux Affaires des Nations unies des États-Unis.	HICKERSON, John D., Assistant Secretary of State for United Nations Affairs of United States.
HOLLAND, S.G., premier ministre et ministre des Finances de la Nouvelle-Zélande.	HOLLAND, S.G., Prime Minister and Finance Minister of New Zealand.
HOPKINSON, Henry, ministre d'État aux Affaires coloniales du Royaume-Uni; représentant, septième session de l'Assemblée générale des Nations unies.	HOPKINSON, Henry, Minister of State for Colonial Affairs of United Kingdom; Representative, Seventh Session of General Assembly of United Nations.
HOWE, C.D., ministre du Commerce.	HOWE, C.D., Minister of Trade and Commerce.
HUGGINS, Sir Godfrey, premier ministre d'Afrique du Sud.	HUGGINS, Sir Godfrey, Prime Minister of South Africa.
IGNATIEFF, George, conseiller, ambassade aux États-Unis	IGNATIEFF, George, Counsellor, Embassy in United States.
IRELAND, Agnes, Direction du Commonwealth.	IRELAND, Agnes, Commonwealth Division.
ISBISTER, C.M., directeur, Direction générale des Relations commerciales internationales, ministère du Commerce.	ISBISTER, Dr. C.M., Director, International Trade Relations Branch, Department of Trade and Commerce.
ISMAY, Lord, secrétaire d'État aux Affaires du Commonwealth du Royaume-Uni (-mars); secrétaire général et vice-président, Organisation du Traité de l'Atlantique Nord.	ISMAY, Lord, Secretary of State for Commonwealth Affairs of United Kingdom (-Mar.); Secretary-General and Vice-Chairman, North Atlantic Treaty Organization.
ISNOR, sénateur G.B., représentant, délégation à la septième session de l'Assemblée générale des Nations unies.	ISNOR, Senator G.B., Representative, Delegation to Seventh Session of General Assembly of United Nations.
JEBB, sir Gladwyn, représentant permanent du Royaume-Uni aux Nations unies.	JEBB, Sir Gladwyn, Permanent Representative of United Kingdom to United Nations.
JESSUP, Philip C., ambassadeur itinérant des États-Unis; représentant suppléant, septième session de l'Assemblée générale des Nations unies.	JESSUP, Philip C., Ambassador-at-Large of United States; Alternate Representative to Seventh Session of General Assembly of United Nations.
JOHNSON, Alexis, sous-secrétaire d'État adjoint aux Affaires de l'Extrême-Orient des États-Unis.	JOHNSON, Alexis, Deputy Assistant Secretary of State for Far Eastern Affairs of United States.
JOHNSON, David M., représentant permanent aux Nations unies; représentant suppléant, sixième session de l'Assemblée générale.	JOHNSON, David M., Permanent Representative to United Nations; Alternate Representative, Sixth Session of General Assembly.
JOY, vice-amiral C. Turner, Marine des États-Unis, délégué principal, délégation de l'Armistice du Commandement des Nations unies (Corée) (-mai).	JOY, Vice-Admiral C. Turner, United States Navy, Senior Delegate, United Nations Command (Korea) Armistice Delegation (-May).

KHAN, sir Mohammed Zafrullah, ministre des Affaires étrangères du Pakistan; président, délégation à la sixième session de l'Assemblée générale des Nations unies.	KHAN, Sir Mohammed Zafrullah, Minister for Foreign Affairs of Pakistan; Chairman, Delegation to Sixth Session of General Assembly of United Nations.
KIM Il Sung, premier ministre de la République populaire démocratique de Corée et commandant suprême de l'Armée du peuple de Corée.	KIM Il Sung, Premier of Democratic People's Republic of Korea and Supreme Commander, Korean People's Army.
LANGE, Halvard M., ministre des Affaires étrangères de Norvège.	LANGE, Halvard M., Minister of Foreign Affairs of Norway.
LÉGER, Jules, sous-secrétaire d'État adjoint aux Affaires extérieures; représentant suppléant, septième session de l'Assemblée générale des Nations unies.	LÉGER, Jules, Assistant Under-Secretary of State for External Affairs; Alternate Representative, Seventh Session of General Assembly of United Nations.
LEPAN, Douglas V., conseiller, ambassade aux États-Unis.	LEPAN, Douglas V., Counsellor, Embassy in United States.
LESAGE, Jean, secrétaire parlementaire du secrétaire d'État aux Affaires extérieures; représentant, délégation à la sixième session de l'Assemblée générale des Nations unies; représentant, délégation à la première moitié de la quatorzième session du Conseil économique et social.	LESAGE, Jean, Parliamentary Secretary to Secretary of State for External Affairs; Representative, Delegation to Sixth Session of General Assembly of United Nations; Representative, Delegation to First Half of Fourteenth Session of Economic and Social Council.
LIE, Trygve, secrétaire général des Nations unies.	LIE, Trygve, Secretary-General of United Nations.
LIEFTINCK, Pieter, ministre des Finances des Pays-Bas.	LIEFTINCK, Pieter, Minister of Finance of the Netherlands.
LIESCHING, sir Percivale, sous-secrétaire d'État permanent au Relations du Commonwealth du Royaume-Uni.	LIESCHING, Sir Percivale, Permanent Under-Secretary of State for Commonwealth Relations of United Kingdom.
LLOYD, John Selwyn, ministre d'État aux Affaires étrangères du Royaume-Uni; président, délégation à la septième session de l'Assemblée générale des Nations unies.	LLOYD, John Selwyn, Minister of State for Foreign Affairs of United Kingdom; Chairman, Delegation to Seventh Session of General Assembly of United Nations.
LOVETT, Robert G., secrétaire de la Défense des États-Unis.	LOVETT, Robert G., Secretary of Defence of United States.
LYTTELTON, Oliver, secrétaire d'État aux Colonies du Royaume-Uni.	LYTTELTON, Oliver, Secretary of State for Colonies of United Kingdom.
MACCALLUM, Elizabeth P., conseiller, délégation à la sixième session de l'Assemblée générale des Nations unies.	MACCALLUM, Elizabeth P., Adviser, Delegation to Sixth Session of General Assembly of United Nations.
MACDONALD, J. Scott, ambassadeur en Yougoslavie.	MACDONALD, J. Scott, Ambassador in Yugoslavia.
MACDONNELL, R.M. ministre, ambassade en France (-sept.); représentant suppléant, délégation à la sixième session de l'Assemblée générale des Nations unies; sous-secrétaire d'État adjoint aux Affaires extérieures.	MACDONNELL, R.M., Minister, Embassy in France (-Sept.); Alternative Representative, Delegation to Sixth Session of General Assembly of United Nations; Assistant Under-Secretary of State for External Affairs.

MacKay, R.A., chef, Direction de la liaison en matière de défense (1) (-sept.) et membre des Affaires extérieures, Commission permanente canado-américaine de défense; sous-secrétaire d'État adjoint aux Affaires extérieures.	MacKay, R.A., Head, Defence Liaison (1) Division (-Sept.) and External Affairs Member, Permanent Joint Board on Defence; Assistant Under-Secretary of State for External Affairs.
Malan, D.F., premier ministre et ministre des Affaires extérieures d'Afrique du Sud.	Malan, Dr. D.F., Prime Minister and Minister for External Affairs of South Africa.
Malik, Y.A., sous-ministre des Affaires étrangères d'Union soviétique.	Malik, Y.A., Deputy Minister of Foreign Affairs of Soviet Union.
Marjolin, Robert E., secrétaire général de l'Organisation européenne de coopération économique.	Marjolin, Robert E., Secretary-General of Organization for European Economic Co-operation.
Martin, Paul, ministre de la Santé nationale et du Bien-être social; vice-président, délégation à la septième session de l'Assemblée générale des Nations unies.	Martin, Paul, Minister of National Health and Welfare; Vice-Chairman, Delegation to Seventh Session of General Assembly of United Nations.
Massey, Vincent, gouverneur général (mars-).	Massey, Vincent, Governor-General (Mar.-).
Matthews, Freeman, secrétaire d'État adjoint aux Affaires politiques des États-Unis.	Matthews, Freeman, Deputy Under-Secretary of State for Political Affairs of United States.
Mayhew, Robert, ministre des Pêches (-oct.); nommé ambassadeur au Japon en septembre.	Mayhew, Robert, Minister of Fisheries (-Oct.); appointed Ambassador to Japan in September.
McClurkin, Robert J.G., directeur adjoint, Bureau des Affaires du Nord-Est asiatique, département d'État des États-Unis.	McClurkin, Robert J.G., Deputy Director, Office of Northeast Asian Affairs, Department of State of United States.
McNaughton, général Andrew G.L., président de la section canadienne de la Commission mixte internationale, et président de la section canadienne de la Commission permanente canado-américaine de défense.	McNaughton, General Andrew G.L., Chairman, Canadian Section, International Joint Commission, and Chairman, Canadian Section, Permanent Joint Board on Defence.
Menon, V.K. Krishna, représentant, délégation de l'Inde à la septième session de l'Assemblée générale des Nations unies.	Menon, V.K. Krishna, Representative, Delegation of India to Seventh Session of General Assembly of United Nations.
Menzies, Arthur, chargé d'Affaires, ambassade au Japon.	Menzies, Arthur, Chargé d'Affaires, Embassy in Japan.
Menzies, R.G., premier ministre d'Australie.	Menzies, R.G., Prime Minister of Australia.
Nazimuddin, sir Al-Haj Khwaja, premier ministre du Pakistan.	Nazimuddin, Sir Al-Haj Khwaja, Prime Minister of Pakistan.
Nehru, Pandit Jawaharlal, premier ministre et ministre des Affaires extérieures et des Relations du Commonwealth de l'Inde.	Nehru, Pandit Jawaharlal, Prime Minister and Minister for External Affairs and Commonwealth Relations of India.
Norman, E. Herbert, chef, Direction des Amériques et de l'Extrême-Orient, (-juil.); chef, Direction de l'information.	Norman, E. Herbert, Head, American and Far Eastern Division, (-Jul.); Head, Information Division.
Nye, sir Archibald, haut-commissaire du Royaume-Uni en Inde.	Nye, Sir Archibald, High Commissioner of United Kingdom in India.
Pandit, Madame Vijaya Lakshmi, président, délégation de l'Inde à la septième session de l'Assemblée générale des Nations unies.	Pandit, Madame Vijaya Lakshmi, Chairman, Delegation of India to Seventh Session of General Assembly of United Nations.

PARKINSON, J.F., chef de la mission auprès de l'Organisation européenne de coopération économique; conseiller financier, haut commissariat au Royaume-Uni (sept.-).	**PARKINSON**, J.F., Head, Mission to Organization for European Economic Co-operation; Financial Counsellor, High Commission in United Kingdom (Sept.-).
PATERSON, G., directeur, direction générale de l'Agriculture et des Pêches, ministère du Commerce.	**PATERSON**, G.R., Director, Agriculture and Fisheries Branch, Department of Trade and Commerce.
PEARSON, Lester B., secrétaire d'État aux Affaires extérieures; président, délégations aux sixième et septième sessions de l'Assemblée générale des Nations unies; président, septième session de l'Assemblée générale.	**PEARSON**, Lester B., Secretary of State for External Affairs; Chairman, Delegations to Sixth and Seventh Sessions of General Assembly of United Nations; President, Seventh Session of General Assembly.
PELLA, Giuseppe, ministre du Budget et du Trésor d'Italie (fév.-).	**PELLA**, Giuseppe, Minister of Budget and Treasury of Italy (Feb.-).
PERKINS, George W., secrétaire d'État adjoint aux Affaires européennes des États-Unis.	**PERKINS**, George W., Assistant Secretary of State for European Affairs of United States.
PETERSON, Avery F., agent chargé des Affaires du Commonwealth, Bureau des affaires du Commonwealth britannique et de l'Europe du Nord, département d'État des États-Unis (-fév.).	**PETERSON**, Avery F., Officer in Charge of Commonwealth Affairs, Office of British Commonwealth and Northern European Affairs, Department of State of United States (-Feb.).
PICKERSGILL, J.W., greffier du Conseil privé et secrétaire du Cabinet (juin-).	**PICKERSGILL**, J.W., Clerk of Privy Council and Secretary to Cabinet (Jun.-).
PIERCE, S.D., ministre, ambassade aux États-Unis.	**PIERCE**, S.D., Minister, Embassy in United States.
PILLAI, sir R.N., secrétaire général, ministère des Affaires extérieures de l'Inde.	**PILLAI**, Sir R.N., Secretary-General, Ministry of External Affairs of India.
PLEVEN, René, premier ministre de France (-jan.); ministre de la Défense nationale (mars-).	**PLEVEN**, René, Prime Minister of France (-Jan.); Minister of National Defence (Mar.-).
PLUMPTRE, Wynne, chef, Direction économique (-juil.); ministre, délégation au Conseil de l'Atlantique Nord.	**PLUMPTRE**, Wynne, Head, Economic Division (-Jul.); Minister, Delegation to North Atlantic Council.
RASMINSKY, Louis, adjoint exécutif du gouverneur de la Banque du Canada.	**RASMINSKY**, Louis, Executive Assistant to Governor of Bank of Canada.
RAYNOR, G. Hayden, directeur, Bureau des Affaires britanniques et de l'Europe du Nord, département d'État des États-Unis.	**RAYNOR**, G. Hayden, Director of Office of British and Northern European Affairs, Department of State of United States.
REID, Escott, sous-secrétaire d'État suppléant aux Affaires extérieures.	**REID**, Escott, Deputy Under-Secretary of State for External Affairs.
REISMAN, S.S., Direction des Relations économiques internationales, ministère des Finances.	**REISMAN**, S.S., International Economic Relations Division, Department of Finance.
RIDGWAY, général Matthew B., Armée des États-Unis, commandant en chef, Extrême-Orient, et commandant en chef, Commandement des Nations unies (-mai); commandant suprême des Forces alliées en Europe.	**RIDGWAY**, General Matthew B., United States Army, Commander-in-Chief, Far East, and Commander-in-Chief, United Nations Command (-May); Supreme Allied Commander in Europe.
RITCHIE, A.E., chef, Direction économique (juil-).	**RITCHIE**, A.E., Head, Economic Division (July-).
RITCHIE, C.S.A., sous-secrétaire d'État adjoint aux Affaires extérieures (-sept.); sous-secrétaire d'État suppléant aux Affaires extérieures.	**RITCHIE**, C.S.A., Assistant Under-Secretary of State for External Affairs (-Sept.); Deputy Under-Secretary of State for External Affairs.

RIVE, Alfred, haut-commissaire en Nouvelle-Zélande.	RIVE, Alfred, High Commissioner in New Zealand.
ROBERTSON, N.A., greffier du Conseil privé et secrétaire du Cabinet; haut-commissaire au Royaume-Uni (juin-).	ROBERTSON, N.A., Clerk of Privy Council and Secretary to Cabinet; High Commissioner in United Kingdom (June-).
ROBERTSON, R.G., secrétaire adjoint au Cabinet.	ROBERTSON, R.G., Assistant Secretary to Cabinet.
RONNING, C.A., chef, Direction de l'Extrême-Orient (sept.-).	RONNING, C.A., Head, Far Eastern Division (Sept.-).
ROWAN, sir Leslie, deuxième secrétaire, ministère du Commerce du Royaume-Uni.	ROWAN, Sir Leslie, Second Secretary, Board of Trade of United Kingdom.
SAINT-LAURENT, Louis S., premier ministre.	ST. LAURENT, Louis S., Prime Minister.
SALISBURY, Lord, *leader* de la Chambre des Lords; Lord du Sceau privé (-mai); secrétaire d'État aux Relations du Commonwealth (mars-déc.); président du Conseil privé (déc.-).	SALISBURY, Lord, Leader of House of Lords; Lord Privy Seal (-May); Secretary of State for Commonwealth Relations (Mar.-Dec.); Lord President of the Council (Dec.-).
SCHUMAN, Robert, ministre des Affaires étrangères de France.	SCHUMAN, Robert, Minister of Foreign Affairs of France.
SCOTT, rév. Michael, membre du clergé anglican résident en Afrique du Sud, porte-parole non officiel pour les races autochtones en Afrique du Sud aux Nations unies.	SCOTT, Rev. Michael, Anglican clergyman resident in South Africa, unofficial spokesman for native races in South Africa at United Nations.
SCOTT, S.M., chef, Direction des Nations unies; conseiller, délégation à la septième session de l'Assemblée générale des Nations unies.	SCOTT, S.M., Head, United Nations Division; Adviser, Delegation to Seventh Session of General Assembly of United Nations.
SENANAYAKE, D.S., premier ministre et ministre de la Défense et des Affaires extérieures de Ceylan.	SENANAYAKE, D.S., Prime Minister and Minister of Defence and of External Affairs of Ceylon
SHARP, M.W., sous-ministre adjoint du Commerce.	SHARP, M.W., Associate Deputy Minister of Trade and Commerce.
SHOOSMITH, major-général S.N., chef d'état-major suppléant, Commandement des Nations unies (Corée).	SHOOSMITH, Major-General S.N., Deputy Chief of Staff, United Nations Command (Korea).
SLESSOR, sir John, chef d'état-major de l'air du Royaume-Uni.	SLESSOR, Sir John, Chief of Air Staff of United Kingdom.
SMITH, Arnold, conseiller, ambassade en Belgique.	SMITH, Arnold, Counsellor, Embassy in Belgium.
SPENDER, sir Percy C., ambassadeur d'Australie aux États-Unis.	SPENDER, Sir Percy C., Ambassador of Australia in United States.
STALINE, généralissime (et maréchal de l'Union soviétique) Joseph V., président du Conseil des ministres d'Union soviétique; secrétaire général du Parti communiste de l'Union soviétique.	STALIN, Generalissimo (and Marshal of Soviet Union) Iosif V., Chairman of Soviet Council of Ministers; General Secretary of Communist Party of Soviet Union.
STARK, W.G., Direction des Amériques et de l'Extrême-Orient; chef, Section de l'Amérique latine, Direction des Amériques (sept.-).	STARK, W.G., American and Far Eastern Division; Head, Latin American Section, American Division (Sept.-).
STEEL, sir Christopher, ministre, ambassade du Royaume-Uni aux États-Unis.	STEEL, Sir Christopher, Minister, Embassy of United Kingdom in United States.

STIKKER, Dirk U., ministre des Affaires étrangères des Pays-Bas (-sept.); président, Conseil de l'Organisation européenne de coopération économique.

SUETENS, Max, ambassadeur de Belgique au GATT; directeur du Commerce extérieur de Belgique.

SWINTON, Lord, secrétaire d'État aux Relations du Commonwealth du Royaume-Uni et *leader* suppléant de la Chambre des Lords (déc.-).

TAGGART, J.G., sous-ministre de l'Agriculture.

TATE, Jack B., conseiller juridique adjoint, département d'État des États-Unis.

THOMSON, J., haut-commissaire suppléant du Royaume-Uni.

THORP, Williard L., secrétaire d'État adjoint aux Affaires économiques des États-Unis (-nov.).

TOWERS, Graham, gouverneur, Banque du Canada.

TRUMAN, Harry S, président des États-Unis.

TURGEON, W.F.A., ambassadeur en Irlande avec accréditation auprès du Portugal.

TURNBULL, Walter, sous-ministre des Postes.

VANIER, major-général G.P., ambassadeur en France.

VYCHINSKI, A.Y., ministre des Affaires étrangères de l'Union soviétique; président, délégations aux sixième et septième sessions de l'Assemblée générale des Nations unies.

WATKINS, J.B.C., chef, Direction européenne; ministre en Norvège (sept.-).

WERSHOF, M.H., chef, I^{ère} Direction de liaison avec la Défense.

WEBB, Thomas Clifton, ministre des Affaires extérieures de Nouvelle-Zélande; président, délégation à la septième session de l'Assemblée générale des Nations unies.

WILGRESS, L.D., haut-commissaire au Royaume-Uni; sous-secrétaire d'État aux Affaires extérieures, (avril-).

WRONG, H. Hume, ambassadeur aux États-Unis.

ZEELAND, Paul van, ministre des Affaires étrangères et du Commerce extérieur de Belgique.

STIKKER, Dirk U., Minister of Foreign Affairs of the Netherlands (-Sept.); Chairman, Council of Organization for European Economic Co-operation.

SUETENS, Max, Ambassador of Belgium at General Agreement on Tariffs and Trade; Director of Foreign Trade of Belgium.

SWINTON,, Lord, Secretary of State for Commonwealth Relations of United Kingdom and Deputy Leader of House of Lords (Dec.-).

TAGGART, J.G., Deputy Minister of Agriculture.

TATE, Jack B., Assistant Legal Adviser, Department of State of United States.

THOMSON, J., Deputy High Commissioner of United Kingdom.

THORP, Willard L., Assistant Secretary of State for Economic Affairs of United States (-Nov.).

TOWERS, Graham, Governor, Bank of Canada.

TRUMAN, Harry S, President of United States.

TURGEON, W.F.A., Ambassador in Ireland with accreditation to Portugal.

TURNBULL, Walter, Deputy Postmaster-General.

VANIER, Major-General G.P., Ambassador in France.

VISHINSKY, A.Y., Minister of Foreign Affairs of Soviet Union; Chairman, Delegations to Sixth and Seventh Sessions of General Assembly of United Nations.

WATKINS, J.B.C., Head, European Division; Minister in Norway (Sept.-).

WERSHOF, M.H., Head, Defence Liaison (1) Division.

WEBB, Thomas Clifton, Minister of External Affairs of New Zealand; Chairman, Delegation to Seventh Session of General Assembly of United Nations.

WILGRESS, L.D., High Commissioner in United Kingdom; Under-Secretary of State for External Affairs, (April-).

WRONG, H. Hume, Ambassador in United States.

ZEELAND, Paul van, Minister of Foreign Affairs and Foreign Trade of Belgium.

ILLUSTRATIONS

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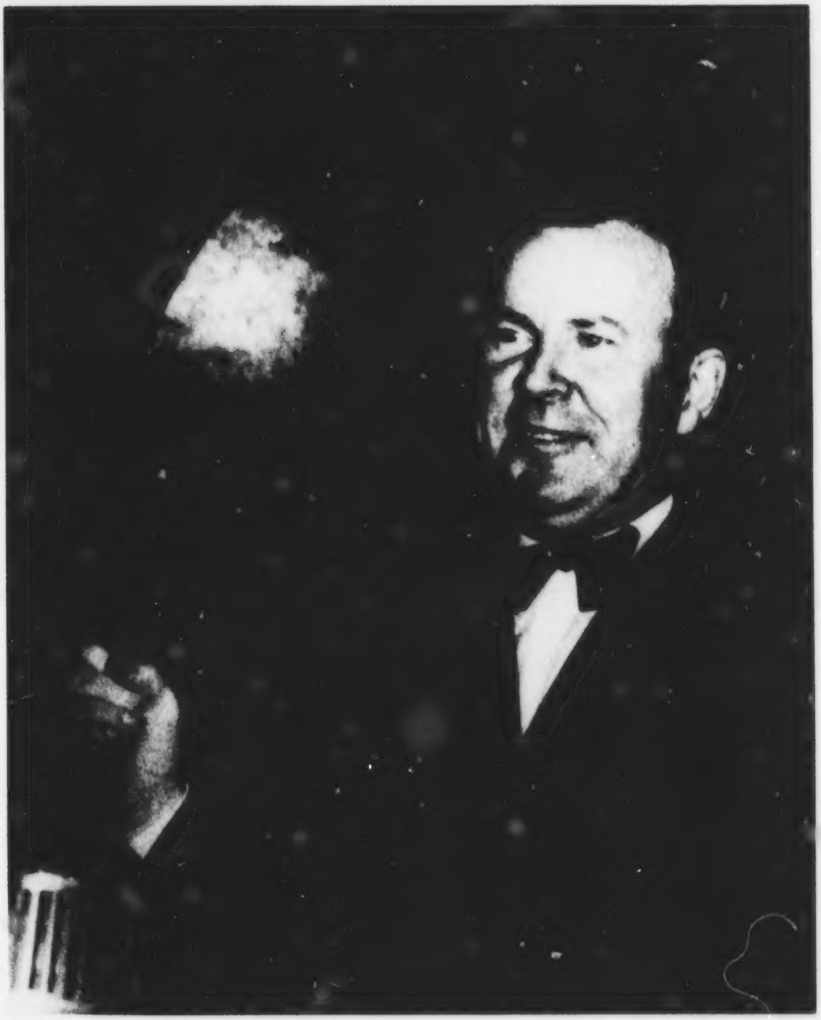


C-18967

United Nations Photo

L.B. Pearson, en sa qualité de président, ouvre la septième session de l'Assemblée générale des Nations unies.

L.B. Pearson as President opens the Seventh Session of the General Assembly of the United Nations.

United Nations Photo

De gauche à droite : L.B. Pearson s'entretient avec Paul Martin avant la réunion d'ouverture de la septième session de l'Assemblée générale des Nations unies.

L. to r. : L.B. Pearson talks to Paul Martin before the opening meeting of the Seventh Session of the General Assembly of the United Nations.

C-76062

United Nations Photo

De gauche à droite : Selwyn Lloyd, L.B. Pearson et Trygve Lie à la septième session de l'Assemblée générale des Nations unies.

L. to r. : Selwyn Lloyd, L.B. Pearson and Trygve Lie at the Seventh Session of the General Assembly of the United Nations.

C-76063

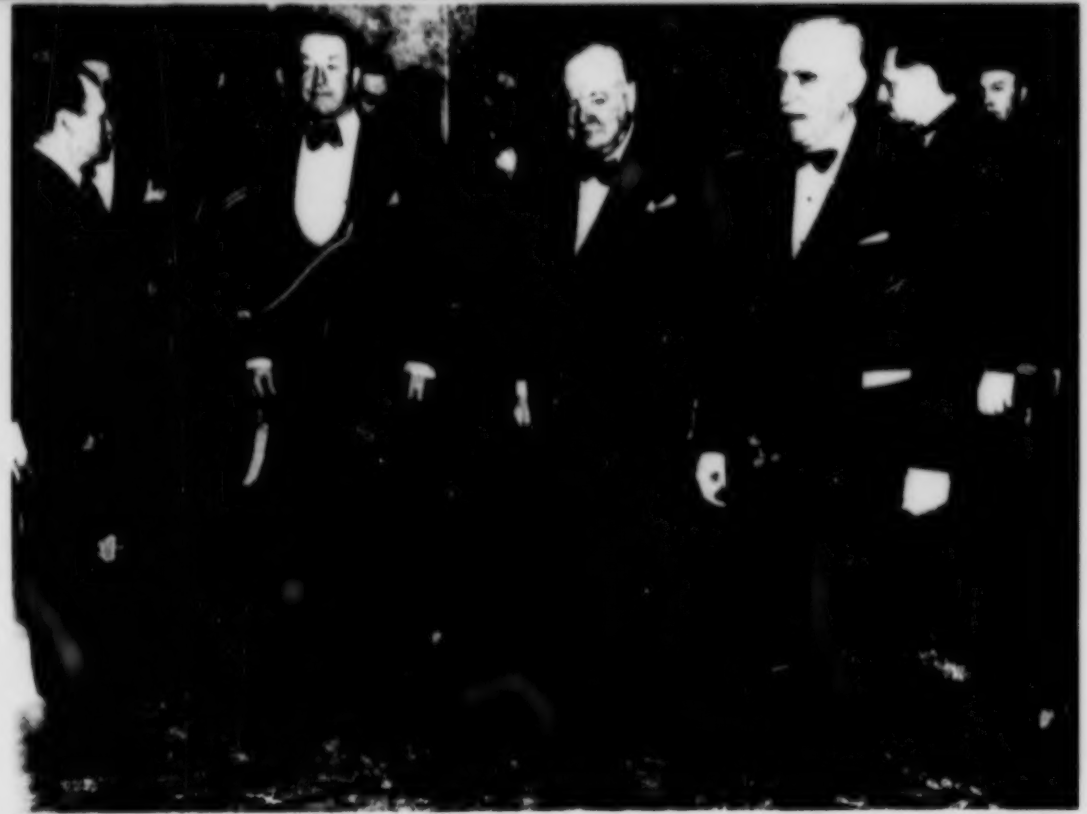
Le président élu des États-Unis visite les Nations unies. De gauche à droite : John Foster Dulles, Trygve Lie, Dwight D. Eisenhower et L.B. Pearson.

The President-elect of the United States visits the United Nations; l. to r. : John Foster Dulles, Trygve Lie, Dwight D. Eisenhower and L.B. Pearson.

Planet News Limited

De gauche à droite : L.B. Pearson, Robert Schuman, Anthony Eden et Dean Acheson à la Réunion ministérielle du Conseil de l'Atlantique

L. to r.: L.B. Pearson, Robert Schuman, Anthony Eden and Dean Acheson at the Ministerial Meeting of the North Atlantic Council held at Lisbon in February, 1952.

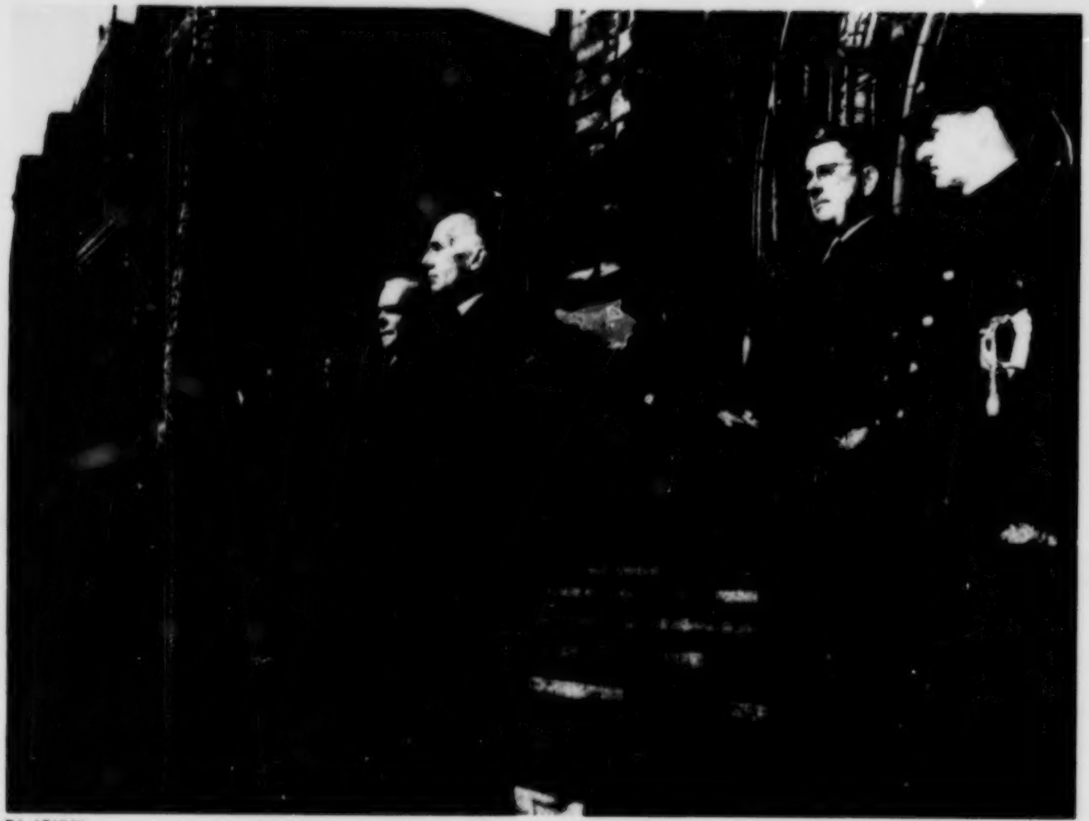


PA-14851

United Nations Photo

De gauche à droite (au centre) : Lord Alexander, Winston Churchill et Louis St-Laurent arrivent à un dîner au Château Laurier à Ottawa. À l'arrière plan, au centre, le chef du Protocole, Howard Measures.

L. to r. (at centre) : Lord Alexander, Winston Churchill and Louis St. Laurent arrive at the Chateau Laurier in Ottawa to attend a dinner; at rear centre, Chief of Protocol, Howard Measures.



PA-176848

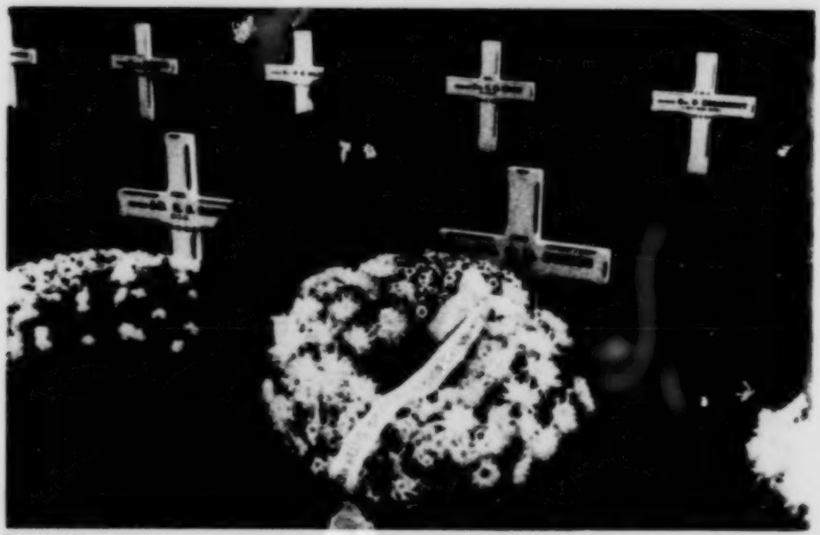
De gauche à droite : Louis St-Laurent, Vincent Massey et le Sénateur Wishart Robertson (*leader* parlementaire du gouvernement au Sénat), sur les marches du Parlement avant l'installation de M. Massey dans sa fonction de gouverneur général.

L. to r. : Louis St. Laurent, Vincent Massey and Senator Wishart Robertson (Government Leader in the Senate) on the steps of the Parliament Buildings before the installation of Massey as Governor-General.

PA-140170

Les brigadiers J.M. Rockingham (au volant) et M.P. Bogert en jeep durant l'inspection du front en Corée.

Brigadiers J.M. Rockingham (driving) and M.P. Bogert in jeep during inspection of frontline positions in Korea.



PA-133383

Mme James Renwick dépose une gerbe au nom des femmes et mères des militaires canadiens morts en Corée.

Mrs. James Renwick lays a wreath on behalf of wives and mothers of Canadian military personnel who died in Korea.

PA-114629

Louis St-Laurent, en compagnie de Da
Wilgren, signe la demande adressée à la Comm
sion mixte internationale pour la réalisation d'
projet hydro-électrique dans la section internation
des rapides du Saint-Laurent.

Louis St. Laurent, seen with Dana Wilgr
signs the application to the International Jo
Commission for power development in the Inter
tional Rapids Section of the St. Lawrence River.

PA-121697

A.D.P. Heeney lisant un exemplaire de la *Gazette* où l'impasse des négociations d'armistice en Corée fait la manchette.

A.D.P. Heeney is seen reading a copy of the *Gazette* in which the deadlocked Korean armistice talks are headline news.

CHAPITRE PREMIER/CHAPTER I

CONDUITE DES RELATIONS EXTÉRIEURES
CONDUCT OF EXTERNAL RELATIONS

PREMIÈRE PARTIE/PART I

MORT ET AVÈNEMENT DU MONARQUE
DEATH AND ACCESSION OF THE MONARCH

1.

Avis et proclamations[1]
Notice and Proclamations[1]

OTTAWA, FEBRUARY 6, 1952

HIS EXCELLENCY THE ADMINISTRATOR OF THE GOVERNMENT has received with the deepest distress the news of the death of His Majesty King George VI, communicated to His Excellency in the following cable from the Private Secretary to His Majesty:

London, February 6, 1952.

"Profoundly regret to state that His Majesty King George the Sixth passed away peacefully in his sleep early this morning."

T. RINFRET,
Administrator.
[L.S.]

OTTAWA, 6 FÉVRIER 1952

SON EXCELLENCE L'ADMINISTRATEUR DU GOUVERNEMENT a appris avec la plus profonde douleur la nouvelle du décès de Sa Majesté le Roi George VI, que le Secrétaire particulier de Sa Majesté a communiquée à Son Excellence dans le câble suivant:

Londres, 6 février 1952.

"Regrette profondément d'annoncer que Sa Majesté le Roi George Six est décédé paisiblement dans son sommeil de bonne heure ce matin."

T. RINFRET,
Administrateur.
[L.S.]

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[1] Publiés dans *Gazette du Canada* le 6 février 1952. Ottawa, Imprimeur de la Reine, 1952.
Published in *Canada Gazette*, February 6, 1952. Ottawa, Queen's Printer, 1952.

CANADA

BY HIS EXCELLENCY THE RIGHT HONOURABLE THIBAUDEAU RINFRET, Chief Justice of Canada and Administrator of the Government of Canada.

TO ALL TO WHOM these Presents shall come,

GREETING:

WHEREAS it hath pleased Almighty God to call to His Mercy Our Late Sovereign Lord King George the Sixth of blessed and glorious memory by whose decease the Crown of Great Britain, Ireland and all other His late Majesty's dominions is solely and rightfully come to the High and Mighty Princess Elizabeth Alexandra Mary, Now Know Ye that I, the said Right Honourable Thibaudeau Rinfret, Administrator of Canada as aforesaid, assisted by Her Majesty's Privy Council for Canada do now hereby with one voice and consent of tongue and heart, publish and proclaim that the High and Mighty Princess Elizabeth Alexandra Mary is now by the death of Our late Sovereign of happy and glorious memory become our only lawful and rightful Liege Lady Elizabeth the Second by the Grace of God, of Great Britain, Ireland and the British Dominions beyond the Seas QUEEN, Defender of the Faith, Supreme Liege Lady in and over Canada, to whom we acknowledge all faith and constant obedience with all hearty and humble affection, beseeching God by whom all Kings and Queens do reign to bless the Royal Princess Elizabeth the Second with long and happy years to reign over us.

CANADA

PAR SON EXCELLENCE LE TRÈS HONORABLE THIBAUDEAU RINFRET, Juge en chef du Canada et Administrateur du Gouvernement du Canada.

À TOUS CEUX QUI les présentes verront,

SALUT:

ATTENDU qu'il a plu au Dieu Tout-Puissant d'appeler à Sa Miséricorde Notre regretté Souverain Seigneur le Roi George Six, d'heureuse et glorieuse mémoire, dont le décès fait passer la Couronne de Grande-Bretagne, d'Irlande et de toutes les possessions de feu Sa Majesté uniquement et légitimement à la Haute et Puissante Princesse Elizabeth Alexandra Mary. Sachez que moi, ledit Très Honorable Thibaudeau Rinfret, Administrateur du Canada, comme susdit, d'accord avec le Conseil Privé de Sa Majesté pour le Canada, publie et proclame maintenant par les présentes, d'une voix unanime et de consentement de bouche et de coeur, que la Haute et Puissante Princesse Elizabeth Alexandra Mary est maintenant devenue, par la mort de Notre regretté Souverain, d'heureuse et glorieuse mémoire, Notre seule et légitime Dame lige Elizabeth Deux, par la Grâce de Dieu, Reine de Grande-Bretagne, d'Irlande et des possessions britanniques au delà des mers, Défenseur de la foi, Dame lige suprême du Canada, à qui Nous reconnaissons toute foi et obéissance constante, avec une humble et sincère affection, priant Dieu de qui tous les Rois et les Reines tiennent leur puissance d'accorder à la Princesse Royale Elizabeth Deux un long et heureux règne.

GIVEN under my Hand and Seal at Arms at Ottawa, this Sixth day of February, in the year of Our Lord one thousand nine hundred and fifty-two, and in the first year of Her Majesty's reign.

By Command,

F. GORDON BRADLEY,

Secretary of State of Canada

GOD SAVE THE QUEEN

T. RINFRET,
Administrator.
[L.S.]

DONNÉ sous Mon Seing et le Sceau de Mes armes, à Ottawa, ce sixième jour de février en l'an de grâce mil neuf cent cinquante-deux, et du Règne de Sa Majesté le premier.

Par ordre,

Le Secrétaire d'État du Canada,

F. GORDON BRADLEY

DIEU SAUVE LA REINE

T. RINFRET,
Administrateur.
[L.S.]

CANADA

ELIZABETH THE SECOND, by the Grace of God, of Great Britain, Ireland and the British Dominions beyond the Seas QUEEN, Defender of the Faith.

TO ALL TO WHOM these Presents shall come,

GREETING:

HUGUES LAPOINTE,
Acting Attorney General,

CANADA

WHEREAS by Chapter forty-six of the Revised Statutes of Canada, 1927, intituled "An Act respecting the Demise of the Crown," it is,

CANADA

ELIZABETH DEUX, par la Grâce de Dieu, Reine de Grande-Bretagne, d'Irlande et des possessions britanniques au delà des mers, Défenseur de la foi.

À TOUS CEUX QUI les présentes verront,

SALUT:

HUGUES LAPOINTE,
Procureur général suppléant,

CANADA

ATTENDU que par le chapitre quarante-six des Statuts revisés du Canada, 1927, intitulé "Loi sur la transmission de la Couronne," il est amongst other things, in effect enacted, that upon the demise of the Crown it shall not be necessary to renew any commission by virtue whereof any officer of Canada, or any functionary in Canada or any judge of any courts in Canada, held his office or profession during the previous reigns; but that a proclamation shall be issued by the Governor General authorizing all persons in office as officers of Canada who held commissions under the late Sovereign, and all functionaries who exercised any profession by virtue of any such commissions and all judges of all courts of Canada to continue in the due exercise of their respective duties, functions and professions; and that such proclamation shall suffice and that the incumbents shall, as soon thereafter as possible, take the usual and customary oath of allegiance before the proper officer or officers thereunto appointed,—

NOW THEREFORE by and with the advice of Our Privy Council of Canada We do by this proclamation authorize all persons in office as officers of Canada who held commissions under Our late Royal Father of glorious memory and all functionaries who exercised any profession in Canada by virtue of any such commission and all judges of all courts in Canada to continue in the due exercise of their respective duties, functions and professions, for which this Our proclamation shall suffice.

AND WE DO ORDAIN that all incumbents of such offices and functions all such judges and all persons

entre autres choses statué, qu'advenant la transmission de la Couronne il n'est pas nécessaire de renouveler les commissions en vertu desquelles les officiers, employés ou fonctionnaires du Canada ou les juges des cours du Canada exerçaient leur profession ou remplissaient leurs fonctions sous les règnes précédents; mais une proclamation est émise par le Gouverneur général, autorisant toutes les personnes en place en qualité d'officiers du Canada, qui détenaient des commissions sous le règne du souverain décédé, et tous les fonctionnaires exerçant quelque profession en vertu de pareilles commissions, et tous les juges de toutes les cours du Canada, à continuer l'exercice régulier de leurs devoirs, fonctions et professions, respectivement. Cette proclamation suffit; et le plus tôt possible ensuite, les titulaires prêtent le serment d'allégeance ordinaire et d'usage devant le fonctionnaire ou les fonctionnaires préposés à cette fin,—

À CES CAUSES, de et par l'avis de Notre Conseil privé pour le Canada, et par Notre présente proclamation, Nous autorisons toutes les personnes en place en qualité d'officiers du Canada, qui détenaient des commissions sous le règne de feu Notre Royal Père, de glorieuse mémoire, et tous les fonctionnaires qui exerçaient quelque profession au Canada en vertu de pareilles commissions et tous les juges de toutes les cours au Canada, à continuer l'exercice régulier de leurs devoirs, fonctions et professions, respectivement; et pour ce Notre présente proclamation suffira.

ET NOUS ORDONNONS que tous les titulaires de ces charges et fonctions ainsi que les juges et toutes les per-holding such commissions shall, as soon hereafter as possible, take the usual and customary oath of allegiance to Us before the proper officer or officers thereunto appointed.

AND WE DO hereby require and command all Our loving subjects to be aiding, helping and assisting all such officers, functionaries, judges and persons holding commissions in the performance of their respective offices, functions and professions.

IN TESTIMONY WHEREOF, We have caused these Our Letters to be made Patent, and the Great Seal of Canada to be hereunto affixed. WITNESS: Our Right Trusty and Well-beloved Counsellor the Right Honourable THIBAUDEAU RINFRET, Chief Justice of Canada and Administrator of Our Government of Canada.

AT OUR GOVERNMENT HOUSE, in Our City of Ottawa, this sixth day of February in the year of Our Lord One thousand nine hundred and fifty-two and in the First year of Our Reign.

By Command,

F. GORDON BRADLEY,

Secretary of State of Canada.

GOD SAVE THE QUEEN

sonnes détenant pareilles commissions, Nous prêtent le serment d'allégeance ordinaire et d'usage, aussitôt que possible par la suite, devant le fonctionnaire ou les fonctionnaires préposés à cette fin.

ET, par les présentes, Nous mandons et commandons à tous Nos féaux sujets de prêter aide et assistance à tous ces officiers, fonctionnaires, juges et personnes détenant des commissions dans l'exercice de leurs charges, fonctions et professions, respectivement.

EN FOI DE QUOI Nous avons fait émettre Nos présentes Lettres Patentes et à icelles fait apposer le Grand Sceau du Canada. TÉMOIN: Notre très fidèle et bien-aimé conseiller le Très Honorable Thibaudeau Rinfret, Juge en chef du Canada et Administrateur de Notre Gouvernement du Canada.

EN NOTRE HÔTEL DU GOUVERNEMENT, en Notre cité d'Ottawa, ce sixième jour de février en l'an de grâce mil neuf cent cinquante-deux et de Notre Règne le premier.

Par ordre,

Le Secrétaire d'État du Canada,

F. GORDON BRADLEY.

DIEU SAUVE LA REINE

2^e PARTIE/PART 2

DÉSIGNATION ET TITRES ROYAUX
ROYAL STYLE AND TITLES

2. PCO

Note pour le premier ministre

Memorandum for Prime Minister

SECRET Ottawa, November [24?], 1952

ROYAL STYLE AND TITLES

This question has been under consideration by the various Governments of the Commonwealth since the Accession of Queen Elizabeth II. On April 5, 1952, the Commonwealth Relations Office asked each of these Governments for their views on the wording of the new Royal Style and Titles. More recently the Commonwealth Relations Office suggested that, in view of the varying replies to this inquiry, the matter might be arranged by a "personal discussion"; and that the presence of the Prime Ministers or their representatives in London at the Commonwealth Financial and Economic Conference in November would offer a most convenient opportunity for such a discussion. The Commonwealth Relations Office expressed the hope that this proposal would be generally acceptable and that the proposed discussions in London would enable Commonwealth Governments to reach a final agreement on the new form of the Royal Style and Titles.

Prime Ministers' Conference in 1949

2. When this matter was raised in London in 1949, there was general agreement that the Royal Style and Titles was archaic and needed to be changed to bring it into conformity with the existing structure of the Commonwealth. Although at that time no precise understanding was reached on how it might be done, there was general agreement that each Commonwealth country would use for its own purpose a title in which the country concerned would be mentioned by name and the other parts of the Commonwealth would be described in a generic phrase. A further suggestion was that, since the phrases "By the Grace of God" and "Defender of the Faith" — although traditional in the United Kingdom — might not be considered appropriate in all the other Commonwealth countries, it would be for the government of each country to consider whether one or both of these phrases should be omitted from the title adopted for use in that country. Subject to these two considerations the Prime Ministers agreed in the 1949 Conference on the desirability for the maximum possible measure of uniformity for the form of the Royal Style and Titles to be used in each country of the Commonwealth.

Preferences of the Various Commonwealth Governments

3. The preferences for the wording of the Royal Style and Titles, as submitted by the Commonwealth Governments in reply to the C.R.O. inquiry

are attached as an appendix to this memorandum. These Governments agree on the desirability of having the Royal Style changed before the Coronation (although this ceremony does not include a full recital of the Royal Style and Titles); but there are wide divergences of view in the various preferences:

(a) Australia does not favour the United Kingdom's suggestion, primarily because Australia wishes both the United Kingdom and Australia to be mentioned by name in the title to be used in Australia.

(b) Neither of the Australian preferences would satisfy completely our desire that the Royal Style should emphasize the fact that the Queen is Queen of Canada, regardless of her sovereignty over other Commonwealth countries. Our view[2] is in strict accord with the present constitutional position, which is based on the concept of equality of status of all Commonwealth members. The first Australian preference would result in a cumbersome title and is, therefore, not likely to commend itself to the other Commonwealth governments. The second Australian suggestion is not in accord with the objectives, expressed at the 1949 Prime Ministers' Conference, that all members of the Commonwealth should be represented in the new Royal Style on an equal basis with the United Kingdom and that only one country would be named in the new Royal Style.

(c) Ceylon and Pakistan have expressed a preference for the shortest possible title and would be most unlikely to agree to a new Royal Style along the lines of the Australian proposal because it tends to emphasize the link between the United Kingdom and the other Commonwealth country concerned.

(d) South Africa has already gone on record as being unable to lend its support to the form of title suggested by Australia because, in the South Africans' view, the Australian proposal detracts from the equality of status of the members of the Commonwealth.

(e) Ceylon, Pakistan and South Africa do not wish to include the expressions "By the Grace of God" and "Defender of the Faith" in the new Royal Style and Titles.

Possible Alternatives

4. A number of possible alternatives may be raised in London:

(a) If it appears that no near-uniform title is likely to emerge from the discussions, the suggestion might be made that the whole matter be dropped and that the present Royal Style and Titles be retained. (The present title reads: "Elizabeth the Second, by the Grace of God, of Great Britain, Ireland, and the British Dominions beyond the Seas, Queen, Defender of the Faith.") In my view it would be most undesirable to postpone the matter any longer, because so much of the ground work has already been completed; because the Coronation presents a convenient opportunity to bring the Royal Style to date; because there has been general agreement on the need to have the present archaic and unrealistic title revised; and because from time to time we have encountered difficulties over the present form of the Royal Style and Titles (Mr. Turgeon's[3] new Letter of Credence was the latest case in point).

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[2] **Note marginale :/Marginal note:**
not my personal view. St. L[aurent]

(b) It may be suggested that near-uniformity could be reached if Australia, Ceylon and Pakistan would agree to the 1949 formula, from which the Commonwealth countries' preferences do not vary greatly. The Australians might be persuaded to change their view but the position of Ceylon and Pakistan is difficult. Although at the Prime Ministers' Conference in 1949 Ceylon and Pakistan seemed to accept in principle the suggested formula, there is reason to believe that they might now find difficulty in doing so. This is perhaps more true of Pakistan than Ceylon. You can appreciate the undesirability of bringing pressure to bear on the Governments of Ceylon and Pakistan to agree to something which they do not want and which might prove politically embarrassing for them. Moreover, not too far in the background lies the possibility that one or [*sic*] both of these countries might eventually follow in the footsteps of India and choose to become a republic.

(c) The suggestion might be put forward that the new Royal Style and Titles should follow the Accession formulae which read in part: "Queen of this realm and of all Her other realms and territories." This wording is unlikely to be acceptable to the United Kingdom authorities, who have expressed the view that a title which is to be used on formal occasions or informal instances (such as Heads of State Treaties or Credentials) would be unsuitable if it included no geographical content. This view in my opinion has considerable force. I should, therefore, be reluctant to give support to a form of Royal Style which made no mention of the country concerned.

(d) In our present preference, which has been communicated to the C.R.O., the words "By the Grace of God" and "Defender of the Faith" have been retained. As previously mentioned Ceylon, Pakistan and South Africa would prefer to omit these two expressions. If it would facilitate agreement on the other controversial points, you might wish to consider whether their omission from the new Royal Style and Titles would be acceptable in Canada. In spite of their historical and religious significance, primarily in the United Kingdom, the phrases are inconsistent with the present structure of the Commonwealth and serve no useful purpose in inter-Commonwealth or international relations. Their omission from the new Royal Style might meet with some opposition from the more tradition-minded elements in Canada, but, if such an omission would serve to bring about a satisfactory solution of the complex titles problem, the step might be worth taking. However, there is no indication at the present time that Canadian initiative in this direction would achieve the desired results. The phrases might well be retained in the Royal Style as optional.

(e) If uniformity cannot be obtained, there might be considerable merit in allowing each country to use the Royal Style and Titles of its own preference. The use of varying titles is not likely to detract from the value or function of the Crown as a common and unifying feature within the Commonwealth. Already India occupies a special position in relation to the Crown and, in a sense, this might constitute a precedent as regards the Royal Style and Titles. If any sort of agreement is to be reached before the Coronation, perhaps this alternative offers the best that can be hoped for.

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[3] L'honorable W.F.A. Turgeon, ambassadeur en Irlande et, depuis février, également ministre au Portugal.
Hon. W.F.A. Turgeon, Ambassador in Ireland and, concurrently from February 1952, Minister to Portugal.

5. The recommended Canadian position, as outlined in the preceding paragraphs, is flexible enough to permit us to agree to any of the suggested formulae, except that proposed by Australia and that proposed separately by Ceylon and Pakistan. The importance of bringing the Royal Style and Titles into line with reality, regardless of whether a near-uniform title can be agreed upon, has, I think, been fully recognized by all Commonwealth Governments. It would be unfortunate if the opportunity afforded by the forthcoming meeting of Prime Ministers in London were to be lost.[4]

[APPENDICE/APPENDIX]

Australia:

The Australian Government has informed the Secretary of State for Commonwealth Relations that they would prefer a title which specified all Commonwealth countries by name so that it could be used uniformly throughout the Commonwealth thus signifying its unity. If this suggestion does not commend itself generally, the Australian Government proposes that the form of the title should be:

"Elizabeth the Second, by the Grace of God, of the United Kingdom of Great Britain and Northern Ireland, Australia and of all Her other realms and territories Queen, Head of the Commonwealth, Defender of the Faith."

Canada:

"Elizabeth the Second, by the Grace of God, Queen of Canada and of Her other realms and territories, Head of the Commonwealth, Defender of the Faith."

Ceylon:

"Elizabeth the Second, Queen, Head of the Commonwealth."

New Zealand:

"Elizabeth the Second, by the Grace of God, of New Zealand and of Her other realms and territories Queen, Head of the Commonwealth, Defender of the Faith."

Pakistan:

"Elizabeth the Second, Queen, Head of the Commonwealth."

South Africa:

"Elizabeth the Second, Queen of South Africa and of her other realms and territories, Head of the Commonwealth."

The United Kingdom:

"Elizabeth the Second, by the Grace of God, of the United Kingdom of Great Britain and Northern Ireland and of all her other realms and territories Queen, Head of the Commonwealth, Defender of the Faith."

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[4] Note marginale :/Marginal note:
seen and approved by Mr. Claxton who inadvertently omitted to sign it.

3. DEA/50121-B-40

Le haut-commissaire au Royaume-Uni
au secrétaire d'État aux Affaires extérieures

High Commissioner in United Kingdom
to Secretary of State for External Affairs

TELEGRAM 2426 London, December 6, 1952

SECRET

ROYAL STYLE AND TITLES

1. At a meeting on December 4 at the Commonwealth Relations Office, at which the United Kingdom was represented by Lord Salisbury and Lord Swinton, the other Commonwealth countries by the heads of their delegations, and India by its High Commissioner in London, it was quickly clear that South Africa would not accept a royal style different from that which it had proposed in the 1949 discussions, while Australia would find it extremely difficult to agree to a royal style that did not include a reference to the United Kingdom in it.

2. Lord Salisbury and Mr. St. Laurent indicated that for the sake of uniformity, their governments would probably be prepared to accept a style based either on the South African formula or on the second Australian suggestion which would incorporate "The United Kingdom" in the titles to be used by overseas members of the Commonwealth. New Zealand much preferred the Australian suggestions. Ceylon, which had originally wished no territorial description in the royal title, rallied to the South African view. Pakistan indicated that it would use exactly the royal style adopted by the United Kingdom, less "By the Grace of God" and "Defender of the Faith", i.e. without any reference to Pakistan by name. The High Commissioner for India explained that as India was a republic, it had no observations to offer on the royal style used by the other members of the Commonwealth, but was concerned only that no change was made in the description of the Queen as "Head of the Commonwealth".

3. After a very brief discussion, it was recognized by the meeting that neither exact identity nor a uniform formula for local variations was likely to be attainable. Mr. Menzies and Mr. St. Laurent felt there were valid historical and constitutional reasons for associating the United Kingdom in the royal style and titles to be used by other members of the Commonwealth; notably, the United Kingdom was the custodian of the Royal Succession both in statutory senses and otherwise.

4. Accordingly it was agreed that the representatives of the United Kingdom, Canada, Australia and New Zealand would recommend to their parliaments the adoption of a royal style, which in the case of Canada would read: "Elizabeth the Second, by the Grace of God, of the United Kingdom, Canada, and of All Other Her Realms and Territories, Queen, Head of the Commonwealth, and Defender of the Faith". The United Kingdom title will probably

refer to "The United Kingdom of Great Britain and Northern Ireland". The representatives of Canada, Australia and New Zealand thought there were advantages in referring to "The United Kingdom" *tout court* in their several styles for the Queen.

5. It was similarly agreed that South Africa and Ceylon would give the Queen the style of "Elizabeth the Second, Queen of South Africa (or Ceylon) and of Her Other Realms and Territories, Head of the Commonwealth". Pakistan will follow the precise form used in the United Kingdom, minus, as I have said "Grace of God" and "Defender of the Faith".

6. It is hoped to prepare an agreed communique indicating the concurrence of the governments concerned to the others seeking the modifications they severely feel to be required in the Queen's title. Since the Commonwealth parliaments are seldom simultaneously in session, an agreed legislative timetable appeared to be impracticable, but it was thought that the countries concerned might proceed with their respective domestic legislation with a proviso that the new royal styles and titles should be brought into force by proclamation on an agreed date, preferably before the Coronation.

4. PCO

Communiqué de presse du cabinet du premier ministre

Press Release by Office of Prime Minister

Ottawa, December 12, 1952

The Prime Ministers and other representatives of Commonwealth countries assembled in London for the Commonwealth Economic Conference have considered the form of the Royal Title.

They recognised that the present title is not in accord with current constitutional relations within the Commonwealth, and that there is need for a new form of title which will, in particular, reflect the special position of the Sovereign as head of the Commonwealth. They concluded, after full consideration, that in the present stage of development of the Commonwealth relationship, it would be in accord with the established constitutional position that each member country should use for its own purposes a form of title which suits its own particular circumstances but retains a substantial element which is common to all. They agreed that the various forms of the title should, in addition to an appropriate territorial designation, have as their common element the description of the Sovereign as Queen of Her Other Realms and Territories and Head of the Commonwealth.

The representatives of all the Commonwealth countries concerned have agreed to take, at the earliest convenient opportunity, such action as is necessary in each country to secure the appropriate constitutional approval for the changes now envisaged. Her Majesty will then be advised to exercise her prerogative power by the issue of proclamations giving effect to such changes in the title as may be recommended. It is contemplated that the proclamation will be issued simultaneously in all the countries concerned.

The form of title that will be recommended for use in Canada is:

"Elizabeth the Second, by the grace of God of the United Kingdom, Canada and her other realms and territories Queen, Head of the Commonwealth, Defender of the Faith."

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5. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa,] December 15, 1952

. . .

ROYAL STYLE AND TITLES

3. *The Prime Minister* referred to the announcement of December 12th concerning the agreement reached in London on the Royal Style and Titles. He proposed to table the communique in the House of Commons and to indicate that the government would recommend to Parliament that the matter be dealt with during the course of the present session.

It had become clear at an early point in the special meetings that no single form of title would be generally acceptable to all the countries concerned. The result, in which Canada would be associated in her form of title with Australia and New Zealand, seemed satisfactory. A principal point of discussion with the Prime Ministers of the latter two countries had been whether the three titles should refer simply to the "United Kingdom" or to the "United Kingdom of Great Britain and Northern Ireland". The full style would be used in the United Kingdom title. Mr. Churchill had felt that it would not be possible for the United Kingdom to leave out specific reference to Northern Ireland but he had no objection to the shorter version being used by others. It seemed much preferable not to have a formal declaration by the other countries in their titles that Northern Ireland was a part of the United Kingdom as this was likely to give rise to controversy. Australia and New Zealand had agreed with that view.

The South African title would describe the Queen as "Queen of South Africa and of her other realms and territories" but would not include mention of the United Kingdom nor the phrases "by the grace of God" or "Defender of the Faith". The title of Ceylon would be similar. Pakistan would refer to the "United Kingdom" with no reference to Pakistan specifically. It seemed clear that the government of Pakistan felt it would ultimately have to follow the same course as India and recognize the Queen simply as head of the Commonwealth.

There might be some discussion about retention for Canada of the phrase "Defender of the Faith". While in the United Kingdom it had a special connotation through the established church, for Canada it could properly be regarded as referring to the role of the state in protecting the freedom of religious observance and in defending the faiths accepted by her people.

4. *The Cabinet:*

(a) noted with approval the report of the Prime Minister concerning the agreement on the Royal Style and Titles to be used by the various countries of the Commonwealth; and,

(b) agreed that the final communique be tabled in the House of Commons with indication that action on the Canadian form of the title would be recommended to Parliament during the course of the present session.

. . .

3^{e} PARTIE/PART 3

NOMINATION DU GOUVERNEUR GÉNÉRAL
APPOINTMENT OF GOVERNOR GENERAL

6. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa,] January 9, 1952

. . .

OFFICE OF GOVERNOR GENERAL; RELINQUISHMENT BY LORD ALEXANDER; APPOINTMENT OF SUCCESSOR

40. *The Prime Minister* reported that Mr. Churchill had informed him that he wished to bring Lord Alexander into the United Kingdom Cabinet as Minister of Defence as soon as possible. Lord Alexander could hardly continue as Governor General while a Minister-designate. It had accordingly been indicated to Mr. Churchill that there should be no announcement of Lord Alexander's new post until his relinquishment of his present office and the appointment of a successor had been announced.

There was considerable support in Canada for appointment of a Canadian as the next Governor General and it was felt that the name of the Rt. Hon. Vincent Massey could suitably be submitted to the King. It might be necessary for the change to be made very shortly after Mr. Churchill's visit to Ottawa. Mr. Massey would not be able to take up his duties for some time and, in the meantime, it would be necessary to continue the allowances for the upkeep of Rideau Hall.

41. *Mr. St. Laurent* said that, with the concurrence of his colleagues, he would send a letter to the King through the Minister of Finance, who was going to London, informing His Majesty that the government had agreed that he should submit Mr. Massey's name for consideration for appointment as Governor General. He had suggested to Lord Alexander that he should inform the King of his desire to relinquish his present office and, as Prime Minister, he would advise the King that this desire should be acceded to. It would be necessary to have letters patent issue[d] terminating Lord Alexander's appointment. The Chief Justice would then become Administrator until Mr. Massey took office. Upon the King approving the appointment, an announcement regarding Lord Alexander's replacement by Mr. Massey could be issued immediately, making it clear that the latter would not be able to assume his duties for some time. There would be no objection to Mr. Churchill announcing thereafter Lord Alexander's new appointment.

Lord Alexander was agreeable to these various arrangements and prepared to remain in Canada until the announcements were made. There was reason to believe that Mr. Massey would accept the proposed appointment.

42. *In the course of the ensuing discussion*, it was noted that Canada was the only Commonwealth country with the possible exception of Ceylon that had not so far had one of its own citizens as its Governor General. The proposed change would not preclude the appointment of non-Canadians on later occasions. As Lord Alexander felt unable to remain for another term and no suitable successor appeared to be available in the United Kingdom, the present was an appropriate time to appoint a Canadian. Knowing Mr. Massey very well, the King would feel that he had a personal representative in Canada. The circumstances of Lord Alexander's departure should help to make the appointment of a Canadian understandable to those who had a preference for the office of Governor General being filled from the United Kingdom. While it was important that the announcement of Lord Alexander's new post be issued separately, it should follow very closely on the announcement of his replacement at Rideau Hall by Mr. Massey.

43. *It was also noted* that it would be necessary to inform Mr. Massey of the proposals before any communications were passed to the Palace and that these would not be delivered pending discussions with Mr. Churchill.

44. *The Cabinet*, after further discussion, approved the proposal of the Prime Minister that the name of the Rt. Hon. Vincent Massey be submitted to the King for consideration for appointment as Governor General of Canada to succeed Lord Alexander who would be relinquishing this office, and noted the steps that would be taken if the submission were approved.

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7. L.B.P./Vol. 54

Le secrétaire d'État aux Affaires extérieures
au haut-commissaire au Royaume-Uni

Secretary of State for External Affairs
to High Commissioner in United Kingdom

TELEGRAM 67 Ottawa, January 10, 1952

TOP SECRET AND PERSONAL

MOST IMMEDIATE. For the High Commissioner's eyes only, from the Minister, Begins: Mr. Abbott will be taking with him on Sunday a letter from the Prime Minister to His Majesty recommending the appointment of Mr. Massey as Governor General to succeed Lord Alexander. Will you let Sir Alan Lascelles[5] know at once about this so that he can inform The King in advance of the receipt of the letter, if he desires to do so.

2. It should be pointed out that Mr. Massey himself has not yet been formally approached. Mr. Abbott will do this immediately on arrival on behalf of the Prime Minister and, of course, will not transmit the formal communication to His Majesty until this has been done.

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[5] Le secrétaire particulier du Roi./Private Secretary to the King.

8. PCO

Le premier ministre au Roi

Prime Minister to The King

Ottawa, January 10, 1952

Sir:

I present my humble duty to Your Majesty.

Mr. Churchill advised me that he had consulted Your Majesty about his desire to have Lord Alexander undertake the duties of Minister of Defence in the United Kingdom on the termination of his duties as Governor General of Canada, and that Your Majesty was willing to approve that proposal.

I expect to discuss with Mr. Churchill during his forthcoming visit to Ottawa what would be an appropriate date for making the formal submissions to Your Majesty.

I have already explained to Mr. Churchill in an exchange of telegrams that it would be embarrassing to have Lord Alexander relinquish the office of Governor General until I was in a position to submit to Your Majesty the name of a successor, and that it would be undesirable to have any announcement made that Lord Alexander is to become one of Your Majesty's Ministers in the United Kingdom until he has ceased to represent Your Majesty as Governor General of Canada.

I have now discussed with my colleagues the appointment of a successor to Lord Alexander as Governor General. They have concurred in my recommendation that I should submit to Your Majesty the name of the Right Honourable Vincent Massey in the hope that You would share our view that because of his distinguished public service over many years and his personal qualities Mr. Massey would be a fitting and distinguished Representative of Your Majesty in Canada. I have reason to believe that Mr. Massey would be honoured to accept the appointment.

If Your Majesty is pleased to approve the appointment of Mr. Massey, I would recommend that a public announcement be made simultaneously with the announcement of Lord Alexander's relinquishment of office.

As Mr. Churchill has indicated that he is anxious to have Lord Alexander's appointment as Minister of Defence take place at an early date, it may be desirable to have the change made in the fairly near future. I would assume that, at the appropriate time, Lord Alexander would inform Your Majesty of his desire to relinquish the office of Governor General of Canada and that I would advise, as Prime Minister that his desire should be acceded to, and recommend that Mr. Massey be appointed to succeed him. Upon approval by Your Majesty the announcement could be made. There could be no objection from the Canadian standpoint to an announcement by Mr. Churchill immediately thereafter of Lord Alexander's appointment as Minister of Defence.

I have shown this letter to His Excellency who is agreeable to the course suggested.

I should like to take advantage of this communication to say what a great satisfaction it was to the poeple of Canada to hear Your Majesty's voice on Christmas Day, not only for the message it brought, but because of what it meant after the grave illness of last year. Your Majesty's recovery has been the cause of heart-felt rejoicing by Canadians everywhere.

I have etc.

L.S. ST. LAURENT

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9. L.S.L/Vol. 105

Le ministre des Finances au premier ministre

Minister of Finance to Prime Minister

TELEGRAM 122 London, January 15, 1952

TOP SECRET AND PERSONAL

IMMEDIATE. Following for Prime Minister's eyes only from Mr. Abbott, Begins: Saw Massey this morning. Suggested arrangements are entirely satisfactory to him.

2. He would wish to return to Canada within two or three weeks probably about the beginning of February, but would be remaining at his own home and would come to Ottawa only upon assuming office, which he indicated would be at earliest not before beginning of March.

4. Also discussed matter with Lascelles this morning who indicated informally there would be no objection on the part of His Majesty to the appointment of Massey. Lascelles suggested Alexander indicated to His Majesty as soon as possible his desire to be relieved of his office. I explained reasons for special letters terminating appointment. Lascelles expressed some surprise at this but after explanations think suggested procedure will be accepted.

5. Asked Massey to give consideration as to how he should be described in new commission. My initial impression is that he will wish usual procedure to be followed including appropriate reference to all offices and honours which he now holds.

6. Lascelles will be communicating with you direct as to approval of proposed successor. He will probably indicate that announcement as to delay in taking over office by new incumbent should be made in Ottawa.

7. Finance Ministers's discussions started this morning. Proceeding according to plan. Regards. Message ends.

10. PCO

Le secrétaire particulier du Roi au premier ministre

Private Secretary to The King to Prime Minister

TELEGRAM 149 London, January 17, 1952

MOST IMMEDIATE. TOP SECRET. PERSONAL. Following for the Prime Minister's eyes only from Sir Alan Lascelles, Begins: The King thanks you for your letter of January 10 and is glad to approve your recommendation that Mr. Vincent Massey be appointed to succeed Lord Alexander as Governor General of Canada. His Majesty has also approved the instrument enclosed with your letter to me of January 10.[6] I am retaining this document until date of Governor General's resignation is known. Letter follows dealing with the matter of a press announcement on or about January 28.† Message ends.

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11. PCO

Le secrétaire d'État aux Affaires extérieures
au haut-commissaire au Royaume-Uni

Secretary of State for External Affairs
to High Commissioner in United Kingdom

TELEGRAM 139 London, January 17, 1952

MOST IMMEDIATE. TOP SECRET. PERSONAL. Following for Sir Alan Lascelles from the Prime Minister, Begins: I thank you for your message informing me of the King's approval of the proposal in my letter of January 10th, and of the instrument enclosed with my letter to you of the same date.

2. The Governor General has already written to the King asking to be relieved on January 28th. When submitting to the King the letter from the Governor General, would you also please submit the following communication to His Majesty from myself. Message begins:

Sir: I present my humble duty to Your Majesty.

His Excellency the Governor General has informed me that in a letter despatched on January 15th† he requested that Your Majesty be graciously pleased to terminate his appointment as Governor General and Commander in Chief of Canada on and after the twenty-eighth day January, 1952, and to declare that his Commission of Appointment cease to have effect on that date.

Lord Alexander has been a most distinguished and respected representative of Your Majesty and his departure will be universally regretted by Your Majesty's subjects in Canada. My colleagues and I are, however, desirous that no obligations with respect to his duties in Canada should make it impossible for Lord Alexander to assume other responsibilities for which, I understand, the Prime Minister of the United Kingdom wishes to submit his name to Your Majesty. I have, therefore, the honour to recommend that if it please Your Majesty the request of His Excellency be acceded to.

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[6] Non retrouvé. L'instrument mit fin en bonne et due forme au mandat de lord Alexander comme gouverneur général et transféra temporairement ses fonctions au juge en chef du Canada qui agira en tant qu'administrateur jusqu'à ce que Massey devienne gouverneur général.
Not located. The instrument formally terminated Lord Alexander's appointment as Governor General and transferred his duties temporarily to the Chief Justice of Canada who would act as Administrator until Massey became Governor General.

Should Your Majesty approve my recommendation and accede to the request of His Excellency to be relieved of his duties in Canada, I have the honour to recommend, for Your Majesty's consideration, the appointment of the Right Honourable Vincent Massey as Governor General of Canada in succession to His Excellency Viscount Alexander.

Until the new Governor General appointed by Your Majesty has taken the prescribed oaths and entered upon the duties of office, the powers and authorities of the Governor General of Canada would be vested in an Administrator in accordance with the Letters Patent constituting the office of Governor General.

I have etc.

LOUIS S. ST. LAURENT. Message ends.

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12. PCO

Le Roi au premier ministre

The King to the Prime Minister

TELEGRAM 197 London, January 21, 1952

IMMEDIATE. TOP SECRET AND PERSONAL. Following from His Majesty the King for the Prime Minster only, Begins: I have received your message of January 17 and also the Governor General's letter of January 15.† I have telegraphed to Lord Alexander accepting his resignation and am glad to give my formal approval to the appointment of Mr. Vincent Massey to succeed him.

GEORGE R. Ends.

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13. L.S.L/Vol. 105

Le secrétaire d'État aux Affaires extérieures
au haut-commissaire au Royaume-Uni

Secretary of State for External Affairs
to High Commissioner in United Kingdom

TELEGRAM 282 Ottawa, January 31, 1952

CONFIDENTIAL. Following for Mr. Massey from Prime Minister, Begins:

1. My colleagues and I considered this morning the general question of when your installation should take place and its relation to the opening of Parliament which, as you know, will be on February 28th.

2. We felt that the best arrangement would be for the installation ceremonies to take place at a convenient hour in the morning and then in the afternoon you would open Parliament in the usual way.

3. I would be glad to know as early as possible what you would think of such an arrangement, and meanwhile we will work out plans for the installation and have them ready for your consideration when you arrive in Canada. Ends.

14. L.S.L./Vol. 105

Le haut-commissaire au Royaume-Uni
au secrétaire d'État aux Affaires extérieures

High Commissioner in United Kingdom
to Secretary of State for External Affairs

TELEGRAM 352 London, February 4, 1952

CONFIDENTIAL. Following for Prime Minister from Mr. Massey, Begins:

1. Thank you for your telegram No. 282 of January 31st. Entirely agree that best arrangement would be for ceremony of installation to take place on the morning of February 28th.

2. Am sailing in S.S. *Scythia*, Friday, February 8th, and am due to arrive Halifax February 17th in time to see Lord and Lady Alexander just before they embark and wish them bon voyage. As time will be very short between my arrival Canada and my installation, and as I should reach my home as soon as possible, would be very grateful if RCAF could fly me from Halifax to Trenton. This would probably save one day. Ends.

15.

Proclamation[7]

OTTAWA, MARCH 8, 1952

CANADA

BY HIS EXCELLENCY the Right Honourable VINCENT MASSEY, Member of the Order of the Companions of Honour, Governor General and Commander-in-Chief of Canada.

TO ALL TO WHOM these Presents shall come,
GREETING:

A PROCLAMATION

WHEREAS His late Majesty King George the Sixth, by Commission under the Great Seal of Canada bearing date the First day of February 1952, was graciously pleased to appoint me to be during the Royal Pleasure Governor General and Commander-in-Chief in and over Canada, and further in and by the said Commission, authorized, empowered and commanded me to exercise and perform all and singular the powers and directions contained in certain Letters Patent under the Great Seal of Canada, bearing date the Eighth day of September in the year of Our Lord One thousand nine hundred and forty-seven constituting the said office of Governor General and Commander-in-Chief of Canada and in

OTTAWA, 8 MARS 1952

CANADA

PAR SON EXCELLENCE le Très Honorable VINCENT MASSEY, membre de l'Ordre des Compagnons d'honneur, Gouverneur général et Commandant en chef du Canada.

À TOUS CEUX À QUI les présentes parviendront,
SALUT;

PROCLAMATION

ATTENDU que par une Commission sous le Grand Sceau du Canada en date du premier jour de février 1952, il a gracieusement plu à feu Sa Majesté, le Roi George Six de me nommer, durant le bon plaisir royal, Gouverneur général et Commandant en chef du Canada, et qu'en outre, par ladite Commission, il lui a plu de me conférer l'autorité et le pouvoir et de m'enjoindre d'exercer les attributions et d'observer les instructions contenues dans certaines Lettres Patentes sous le Grand Sceau du Canada, en date du huitième jour de septembre en l'an de grâce mil neuf cent quarante-sept, constituant ladite charge de Gouverneur général et Commandant en chef du Canada, et dans toutes autres Lettres Patentes

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[7] Publiée dans *Gazette du Canada* le 8 mars 1952. Ottawa, Imprimeur de la Reine, 1952.
Published in *Canada Gazette*, March 8, 1952. Ottawa, Queen's Printer, 1952.

my other Letters Patent adding to, amending, or substituted for the same according to such Orders and Instructions as the Governor General and Commander-in-Chief for the time being hath already received or as have been given to me with the said Commission or as I shall hereafter receive.

Now, Therefore, Know You that I have thought fit to issue this Proclamation in order to make known His late Majesty's said appointment and I do also hereby require and command that all and singular Her Majesty's Officers and Ministers in Canada, do continue in the execution of their several and respective offices, place and employments, and that Her Majesty's loving subjects and all others whom it may concern do take notice hereof and govern themselves accordingly.

Given under my hand and seal-at-arms at Ottawa, this twenty-eighth day of February, in the year of Our Lord One thousand nine hundred and fifty-two and in the First year of Her Majesty's Reign.

T. RINFRET
Administrator
[L.S.]

comportant addition, modification ou substitution à cet égard selon les ordres et instructions que le Gouverneur général et Commandant en chef alors en exercice avait déjà reçus ou qui m'ont été donnés avec ladite Commission ou que je recevrai par la suite:

Sachez donc maintenant que j'ai cru à propos d'émettre la présente proclamation aux fins de faire connaître ladite nomination par feu Sa Majesté, et par les présentes j'ordonne et j'enjoins à tous et à chacun des fonctionnaires et ministres de Sa Majesté au Canada de continuer l'exercice de leurs fonctions et emplois respectifs, et que les féaux sujets de Sa Majesté ainsi que tous les autres intéressés prennent connaissance de ladite proclamation et agissent en conséquence.

Donné sous mon Seing et le Sceau de mes armes à Ottawa, ce vingt-huitième jour de février en l'an de grâce mil neuf cent cinquante-deux et dans la première année du règne de Sa Majesté.

T. Rinfret,
Administrateur
[L.S.]

4e PARTIE/PART 4

REPRÉSENTATION DIPLOMATIQUE ET CONSULAIRE[8]
DIPLOMATIC AND CONSULAR REPRESENTATION[8]

SECTION A

AUTRICHE/AUSTRIA

16. DEA/8447-40

Note du sous-secrétaire d'État aux Affaires extérieures pour le secrétaire d'État aux Affaires extérieures

Memorandum from Under-Secretary of State for External Affairs to Secretary of State for External Affairs

Ottawa, June 26, 1952

EXCHANGE OF DIPLOMATIC REPRESENTATIVES BETWEEN CANADA AND AUSTRIA

On a number of occasions since the end of 1947, latterly through the consular representatives in Ottawa (Dr. Frederick Riedl-Riedenstein, until October last Consul-General, and Baron Kurt F.J. Paümann, Honorary Vice-Consul and presently in charge of their Consulate General), the Austrian Government have raised the question of an exchange of diplomatic representation with Canada. In January of this year, following your agreement that we should accredit our Swiss representative to Vienna as soon as possible,[9] we informed Baron Paümann that we were ready to proceed in this way. We told him that within a year we might find it possible to appoint a junior officer to Vienna who would act on the instructions of Mr. Doré.[10] On March 11, Baron Paümann told us that his Government had agreed to this double accreditation.

Confusion then occurred when we were informed through our High Commissioner in London early in March that the Austrian Government wished to appoint Dr. W. Peinsipp as Consul General in Ottawa, which was difficult to reconcile with the agreement just reached for the exchange of diplomatic missions. Baron Paümann undertook to secure clarification from his Government.

On May 12, our High Commissioner[11] sent us a telegram stating the Austrian Ambassador had informed him the latter's government now wished to appoint Dr. Peinsipp as Austrian Chargé d'Affaires in Ottawa. In reply, we asked the High Commissioner to ascertain if it was intended that Dr. Peinsipp should be Chargé d'Affaires *ad interim* to which we would gladly agree, or Chargé d'Affaires *en pied* which would require further study on our part. Under date of June 10, the High Commissioner wired us that during an interview in which he explained our position to the Austrian Ambassador, the latter wondered whether we would object to receiving an Austrian Minister who was also accredited to another country on the understanding there would be a resident Chargé d'Affaires in Ottawa. The High Commissioner told him the only exception we had thus far made in favour of double accreditation was for countries which were members of the North Atlantic alliance, and that he did not think Luxembourg and Portugal constituted a precedent for receiving an Austrian Minister who was also accredited to United States.

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[8] Sur ce sujet voir aussi les documents 423 et 431.
On this subject see also Documents 423 and 431.

[9] Voir le document 40./See Document 40.

[10] Victor Doré, ministre en Suisse et, depuis février, également ministre en Autriche.
Victor Doré, Minister in Switzerland and, concurrently from February 1952, Minister to Austria.

[11] Notre exemplaire du document porte l'ajout:
The following was written on this copy of the document:
in London.

These remarks of the Austrian Ambassador were apparently speculative and the High Commissioner thinks the Austrian Government eventually will simply designate Dr. Peinsipp as Chargé d'Affaires *ad interim*. There have been no further developments to date.

L. D. W[ILGRESS]

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17. DEA/8447-40

Le haut-commissaire au Royaume-Uni
au secrétaire d'État aux Affaires extérieures

High Commissioner in United Kingdom
to Secretary of State for External Affairs

TELEGRAM 1505 London, July 3, 1952

SECRET

AUSTRIAN REPRESENTATION IN OTTAWA

Reference: My telegram No. 1377 of June 10th.[7]

1. The Austrian Ambassador called this morning to repay my call upon him. He had not yet heard from Vienna whether his government would be agreeable to appointing Dr. Peinsipp to Ottawa as Chargé d'Affaires *ad interim*. It became clear, however, in the course of the conversation, that Dr. Wimmer himself hopes very much that his government may take seriously that they enquire whether the Canadian Government would be willing to have him, while remaining Ambassador in London, also accredited as Minister in Ottawa, with a Chargé d'Affaires *ad interim* resident there. You may, therefore, wish to consider this possibility more seriously than my telegram under reference suggested, so that if he is authorized to raise the question I can give him some indication of what the Canadian attitude would be.

2. As Mr. Wilgress will know, the present Austrian Ambassador in London is a very charming and intelligent man who should be very welcome in his own capacity whenever he could come to Canada.

18. DEA/11262-C-40

Le secrétaire d'État aux Affaires extérieures
au haut-commissaire au Royaume-Uni

Secretary of State for External Affairs
to High Commissioner in United Kingdom

TELEGRAM 1344 Ottawa, July 4, 1952

SECRET

AUSTRIAN REPRESENTATION IN OTTAWA

Reference: Your telegram No. 1505 of July 5.

We would be glad to have either the Austrian Ambassador in London or in Washington appointed concurrently as Minister to Canada. The choice between the two ambassadors rests of course with the Austrian Government. Our only apprehension is that because of the greater distance separating London and Ottawa we might have less opportunity of seeing the London Ambassador here.

[L. D. WILGRESS]

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19. DEA/11262

Le haut-commissaire au Royaume-Uni
au secrétaire d'État aux Affaires extérieures

High Commissioner in United Kingdom
to Secretary of State for External Affairs

TELEGRAM 1595 London, July 16, 1952

SECRET

AUSTRIAN REPRESENTATION IN OTTAWA

Reference: Your telegram No. 1344 of July 4th.

The Austrian Government desire to appoint their Ambassador in Washington, Dr. Max Loewenthal-Chlumecky, as concurrently Austrian Minister to Canada. They also enquire whether you would be willing to have Dr. Peinsipp who will be acting as Secretary of the Legation and Chargé d'Affaires a.i. in Ottawa, take up his duties before the presentation of credentials by the prospective Austrian Minister has actually taken place.

20. DEA/11262-C-40

Le secrétaire d'État aux Affaires extérieures
au haut-commissaire au Royaume-Uni

Secretary of State for External Affairs to
High Commissioner in United Kingdom

TELEGRAM 1427 Ottawa, July 17, 1952

SECRET

Reference: Your telegram No. 1595 dated July 16.

We have no objections to Dr. Peinsipp taking up his duties as Secretary and Chargé d'Affaires *ad interim* before the arrival of Minister. Agrément to appointment of Dr. Max Loewenthal-Chlumecky as Minister will be communicated to you in due course.

2. Meanwhile please approach Austrian Ambassador in London and formally request agrément of his Government to appointment of Mr. Victor Doré as Minister of Canada to Austria. Mr. Doré is to remain concurrently Minister to Switzerland.

3. Please request that this appointment be considered as confidential pending its announcement in Ottawa. For biographical notes on Mr. Doré, refer to departmental Register.

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21. DEA/11262-C-40

Le haut-commissaire au Royaume-Uni
au secrétaire d'État aux Affaires extérieures

High Commissioner in United Kingdom
to Secretary of State for External Affairs

TELEGRAM 1715 London, August 5, 1952

SECRET

Reference: Your telegram 1427 of July 17.

I have today been formally notified that the Austrian Government has given its agrément to the appointment of Dr. Victor Doré, Canadian Minister to Switzerland, as Canadian Minister to Austria at the same time.

2. I have also received a formal note from the Austrian Embassy requesting an agrément for the appointment of Dr. Max Loewenthal-Chlumecky, Austrian Ambassador in Washington, as Austrian Minister in Ottawa at the same time.

3. It is understood by the Austrian Government that no announcement will be made by either government until our two governments are ready for a simultaneous press statement on the subject of the exchange of diplomatic representatives.

22. DEA/11262-C-40

Le secrétaire d'État aux Affaires extérieures
au haut-commissaire au Royaume-Uni

Secretary of State for External Affairs
to High Commissioner in United Kingdom

TELEGRAM 1519 Ottawa, August 6, 1952

SECRET

Reference: Your telegram No. 1715 of August 5.

Please inform Austrian Ambassador of Canada's agrément to appointment of Dr. Loewenthal-Chlumecky as Minister.

2. You will be notified as soon as we are ready for announcement.[12]

SECTION B

CEYLAN/CEYLON

23. DEA/9965-40

Note de la Direction du Commonwealth
pour le sous-secrétaire d'État aux Affaires extérieures[13]

Memorandum from Commonwealth Division
to Under-Secretary of State for External Affairs[13]

SECRET Ottawa, September 19, 1952

OPENING OF A CANADIAN HIGH COMMISSIONER'S OFFICE IN CEYLON

As a result of a conversation today with Mr. MacKay, this memorandum has been prepared covering, in brief, the past history of Canadian representation in Ceylon and giving reasons why this Division considers the appointment of a High Commissioner desirable.

2. At various times in the past, notably in February, 1948, and August, 1950, the Government of Ceylon enquired concerning the possibility of exchanges of representatives between Ceylon and Canada, and stated that the appointment of a Canadian High Commissioner or other representative of the Canadian Government would be welcomed.

3. In the various discussions which have taken place, the following points have been considered:

A. (i) Appointment of a resident High Commissioner to Ceylon.

(ii) Either our High Commissioner to India or our High Commissioner to Pakistan to also be accredited to Ceylon.

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[12] Voir le document 36./See Document 36.

[13] L'original porte la mention:/The following was in the original:
(Through Mr. MacKay)

B. (i) Either their High Commissioner in London or their Ambassador in Washington should also be accredited to Canada.

4. The Cabinet on May 6, 1948, decided against an extension of representation to Ceylon. In June, 1950, it was decided to appoint a Canadian Trade Commissioner to Colombo, who, in addition to his normal trade duties, would undertake duties for this Department under the Technical Assistance Programme of the Colombo Plan as well as certain consular duties. At a Cabinet meeting on June 19, 1952, the Minister mentioned that when changes in posting were considered, it was most desirable that the representative of Trade and Commerce in Ceylon should be a person who might adequately represent us in the Council of the Colombo Plan and, possibly be designated as Acting High Commissioner. The Cabinet noted with approval the Minister's remarks, consideration to be given at a later date to specific proposals.[14]

5. *Arguments in Favour of Diplomatic Representation in Colombo*

(i) Ceylon is the only member of the Commonwealth in which Canada is not represented by a High Commissioner. In addition, it might be mentioned that the United Kingdom, Australia, India and Pakistan all have High Commissioners in Colombo. The Ceylonese may not relish being treated as a second-class member of the Commonwealth.

(ii) We should support in every way the friendly attitude which the present Government takes towards a continuance of the Commonwealth connection.

(iii) The value of Ceylon's strategic position in the event of a general war is of interest to us.

(iv) The great increase in our trade with Ceylon during the past decade and the work arising out of the Bureau for Technical Co-operation in Colombo make it impossible for the Trade Commissioner to devote time to the preparation of political reports which we require from time to time. In addition, he has no cypher facilities and provisions for adequate security of documents are poor.

(v) If the Trade Commissioner is to attend to his Trade duties, and also wrestle with increasing work in connection with the Colombo Bureau, one or the other is bound to suffer.

(vi) From the point of view of prestige, the Trade Commissioner's rank in the order of precedence is naturally not very high, and aside from the normal difficulties attendant on such rank, it is an indirect reflection on Canada's world position.

6. *Arguments Against Diplomatic Representation in Colombo*

(i) Ceylon is a small country and is of little political importance. She is, however, one of our closest friends in Asia.

(ii) Our Trade Commissioner has reported that he receives full co-operation and support from the Government of Ceylon.

(iii) It appears that as recently as August, 1950, the Government of Ceylon did not think it possible to appoint a resident High Commissioner in Ottawa, but thought it necessary for their Ambassador in Washington to be also accredited to Ottawa.

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[14] Voir le document 26./See Document 26.

7. *Conclusion*

This Division considers that the arguments in favour of the appointment of a Canadian High Commissioner to Ceylon are stronger than those against. The Ceylonese would welcome the appointment, although they may not be able to reciprocate in kind at this juncture. Our Trade Commissioner in Ceylon is obviously not able to cope with duties in the political field and appears to find the load of technical assistance and other duties under the Colombo Plan and his limited consular duties, superimposed as they are on his trade duties, to be a heavy one. We therefore recommend that consideration be given to the appointment of a resident High Commissioner in Colombo in the next fiscal year.[15]

C.A. RONNING

SECTION C

CHINE/CHINA

24. DEA/8508-40

Extrait du procès-verbal de la réunion des chefs de direction

Extract from Minutes of Meeting of Heads of Division

SECRET Ottawa, January 14, 1952

CANADIAN CONSULATE GENERAL IN SHANGHAI

. . .

21. *Mr. Norman.* During the summer, it was decided to bring Dr. G.S. Patterson back from the Canadian Consulate General in Shanghai and if possible to send somebody out to take his place. A replacement was nominated and the Central People's Government of China was asked for an entry permit for him. This the Central People's Government of China has so far not granted and it now appears unlikely that any successor to Dr. Patterson can be sent. The Canadian Consulate General in Shanghai is, therefore, closing its offices on January 15 and three locally engaged staff are being attached to the United Kingdom Consulate General to work under a United Kingdom consular Officer for approximately three months until outstanding consular business has been cleared up. At the end of that time, Canada will be left only the Embassy property in Nanking in charge of two Chinese caretakers and will have no representation anywhere in Chinese territory.

. . .

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[15] Voir le document 36./See Document 36.

SECTION D

RÉPUBLIQUE FÉDÉRALE D'ALLEMAGNE[16]
FEDERAL REPUBLIC OF GERMANY[16]

25. DEA/50136-40

Note de la Direction européenne
pour le sous-secrétaire d'État aux Affaires extérieures

Memorandum from European Division
to Under-Secretary of State for External Affairs

SECRET Ottawa, January 16, 1952

FUTURE OF THE CANADIAN MILITARY MISSION IN BERLIN

At a meeting of the Working Group of the Establishment Board on October 17 the question of the future of the Canadian Military Mission in Berlin was informally discussed and referred to the Divisions concerned for their views. At that time it was thought probable that because the British intended to take their civilian employees off occupation costs and put them — with appropriate allowances — on the German economy, the staff of the Canadian Military Mission might have to be treated likewise and that this would involve an increase in the cost of maintaining the Mission. A later report suggested that the situation for British military personnel would be different; they would continue to receive normal military facilities, including housing and servants, as charges against occupation costs. Mr. Davis thought that our Mission in Berlin might be taken under the wing of the military authorities, in which case there would be no question of our receiving services at United Kingdom expense although we would receive them through the medium of the United Kingdom authorities. To date we have had no definite word from Bonn that this would in fact take place so that there remains some uncertainty about the future costs of operating the Mission.

2. The considerations outlined above led us to give thought in this Division to an assessment of the political value to us of the Military Mission, apart from considerations of staff and finance. To that end we wrote Mr. Davis on October 26 in the following terms:

"While, as we understand, the Berlin office serves some purpose on the consular side and on the intelligence side, the main consideration in deciding whether or not to continue it will be whether its value as a contribution to Allied solidarity in Berlin and as a source of political intelligence is sufficient, in Canadian terms, to justify the cost of maintaining it. Your assessment of the utility of the office on the basis of these broader political considerations will be helpful in reaching a decision."

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[16] Le consulat à Francfort a été fermé en 1952.
The consulate in Frankfurt was closed in 1952.

3. In a reply dated December 15, Mr. Davis informed us that Major-General Coleman, the British Commandant of Berlin, and his political adviser, were most anxious that the Military Mission should remain for the following reasons:

(a) The withdrawal of any one of the Western Military Missions from Berlin might cause similar action on the part of other missions;

(b) The withdrawal of even one mission would give the Soviet authorities, as well as their East German puppets and those of the satellite countries, a propaganda point which would doubtless be distorted in the usual manner;

(c) The presence in Berlin of as large as possible a number of missions from the Western Powers is of tremendous moral and psychological value to the citizens of Western Berlin; no matter how little material value any Military Mission might be to its government at home or to its own nationals in Germany, this moral and psychological value is not in the least diminished.

4. Mr. Davis gave it as his own view that the Military Mission should be kept open at least until a radical change takes place in the relations of the Federal Republic and Berlin with the West, when the position should be reconsidered. As to the value of Berlin as a source of political intelligence, he considered it inevitable that the material which would come from Berlin would be almost entirely military intelligence since our representation there is military. He was inclined to doubt whether the Department could or should afford political representation at a sufficiently high level there.

5. Our next step was to ask our Ambassadors in London, Paris and Washington to ascertain the views of the governments to which they are accredited. Replies have now been received from all three.

6. The State Department would view with some concern a decision on our part to close the Berlin Mission, chiefly for the reasons set out in paragraph 3 above. They took the line that the maintenance of military missions in Berlin provides evidence to Berliners that countries of the West, other than those of the Occupying Powers, would continue to lend their support to preserve the status quo. They pointed out that the legal status of missions in Berlin would not be affected by the proposed contractual relations and that the cost of maintaining these missions would not necessarily be substantially increased in the near future. They also made the suggestion that if the costs of maintaining the Canadian Military Mission were considered excessive, a Canadian Military Representative, perhaps residing in Bonn, might be accredited and be present in Berlin only when it was considered essential or desirable.

7. The French also agreed with the views of the British Commandant. They were insistent that our Mission remain in Berlin even if we reduced it to one representative who need not even live there but who could arrange to be present at all important functions in order that the name of Canada should continue to be in evidence.

8. The Foreign Office assured Canada House that, in answer to a similar enquiry from the South African Government, the United Kingdom authorities in both Wahnerheide and Berlin had stated that they attached great

importance to continued Commonwealth representation. In addition to giving general support to the views of the British Commandant in Berlin, the Foreign Office referred to the key importance which the tripartite powers have placed on Berlin in the General Agreement now being negotiated under which arrangements are being made to preserve the position of the Three Powers in this critical outpost. General Bishop of the Commonwealth Relations Office, who served in the Control Commission in Berlin and as Land Commissioner for North Rhine/Westphalia, was also consulted by Canada House and supported the Foreign Office's views.

9. We might add that Personnel Division have asked National Defence for a continuation of Captain O'Hagan's services with our Berlin Mission for another year, Finance Division have made provision in next year's Estimates for maintenance of the Mission, and Consular Division would like consular and immigration work there to continue.

10. After due consideration of the points set out in this memorandum we recommend that the Canadian Military Mission in Berlin be kept open. Its value as a source of political intelligence is perhaps not great, but we believe that the prestige of the West and the aid and comfort to the Berliners which the presence in their city of our Mission constitutes justify the continuance of Canadian representation in this outpost of the free world.[17]

[J.B.C. WATKINS]

SECTION E

INDONÉSIE/INDONESIA

26. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa,] June 19, 1952

. . .

CEYLON AND INDONESIA; CANADIAN REPRESENTATION

11. *The Secretary of State for External Affairs* said it was important that Canada be adequately represented in the Council of the Colombo Plan. For this reason it was most desirable that, when changes in postings were considered, the representative of Trade and Commerce in Ceylon should be a person who might perform that task and, possibly be designated as Acting High Commissioner.

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[17] Note marginale :/Marginal note:
I agree. H[eeney]

Indonesia was rich in natural resources and trade possibilities might become important. Consideration should be given to establishing Canadian representation there. If this were approved in principle a specific recommendation would be submitted at a later date.

12. *The Minister of Trade and Commerce* agreed with the remarks concerning Canadian representation in Ceylon. Possibilities of trade with Indonesia could not be ignored and the question of representation there would have to be examined.

13. *The Minister of Finance* said there was provision in the Estimates for representation in Indonesia if it were decided on.

14. *The Cabinet* noted with approval the remarks of the Secretary of State for External Affairs concerning Canadian representation in Ceylon and agreed that it would be desirable to have some form of representation in Indonesia; consideration to be given at a later date to a specific proposal.[18]

. . .

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27. DEA/11619-40

Le secrétaire d'État aux Affaires extérieures
au haut-commissaire au Royaume-Uni

Secretary of State for External Affairs
to High Commissioner in United Kingdom

TELEGRAM 2172 Ottawa, December 23, 1952

SECRET

EXCHANGE OF EMBASSIES WITH INDONESIA

1. Please request Foreign Office to instruct by telegram the United Kingdom Ambassador in Djakarta to deliver to the Foreign Minister of Indonesia a Note to the following effect:

"The Government of Canada, which has followed with admiration the achievement of the Government of Indonesia in establishing a new nation, recognizes the important role which the Republic of Indonesia is destined to play in world affairs. It also feels that great opportunities exist for the development of trade to the mutual advantage of Canada and Indonesia. Consequently, in order to create the closest possible political and economic ties between the two countries, the Government of Canada is happy to propose the exchange of diplomatic missions with the status of embassies.

If the Government of Indonesia finds this proposal acceptable, the Government of Canada would be prepared to establish a Canadian Embassy in Djakarta at an early date and wishes to request agrément for the appointment of Mr. George Robert Heasman as Ambassador of Canada to Indonesia.

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[18] Voir le document 36./See Document 36.

The Government of Canada would be grateful for an indication by the Indonesian authorities of their readiness to grant such assistance as would be necessary in establishing a Canadian Embassy in Djakarta, and would reciprocally be happy to assist the Government of Indonesia in establishing its Embassy in Ottawa either in the near future or at such later date as best suits its convenience."

2. It would be greatly appreciated if the United Kingdom Ambassador could report by telegram of the reaction of the Minister for Foreign Affairs.

SECTION F

JAPON/JAPAN

28. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa,] March 18, 1952

. . .

JAPAN; EXCHANGE OF EMBASSIES; APPOINTMENT OF CANADIAN CHARGÉ D'AFFAIRES

6. *The Secretary of State for External Affairs* pointed out that the Canadian Liaison Mission in Tokyo was accredited to the Supreme Commander for the Allied Powers. With the coming into force of the Japanese Peace Treaty about April 1st, 1952, the S.C.A.P. organization would be disbanded. The relatively long period in which Canada had had diplomatic relations with Japan, the importance of Japan's position in the Far East and a Japanese desire to establish an embassy in Canada suggested that the Canadian post-treaty office in Tokyo should be an embassy. It also seemed reasonable that the present head of the Liaison Mission be nominated as Chargé d'Affaires a.i., pending appointment of an Ambassador.

An explanatory memorandum had been circulated.

(Minister's memorandum, March 13, 1952 — Cab. Doc. 93-52)†

7. *The Cabinet* approved the recommendations of the Secretary of State for External Affairs and agreed that Royal approval be sought for an exchange of embassies with Japan and that, on receipt of such approval, the Minister inform the Japanese government that the government desired to establish an embassy in Tokyo after the coming into force of the Japanese Peace Treaty, was agreeable to establishment of a Japanese embassy in Ottawa and nominated the present Head of the Canadian Liaison Mission in Tokyo as Chargé d'Affaires a.i. of the Canadian Embassy.[19]

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[19] A.R. Menzies.

29. DEA/11345-A-40

Le secrétaire d'État aux Affaires extérieures
au chef de la mission de liaison à Tokyo

Secretary of State for External Affairs
to Head, Liaison Mission, Tokyo

TELEGRAM 87 Ottawa, April 2, 1952

CONFIDENTIAL

SUBJECT: CANADIAN REPRESENTATION IN TOKYO

Reference: Our despatch Y-179 of March 14.[†]

You are instructed to inform the Japanese Government that the Canadian Government is agreeable to the establishment of a Japanese Embassy in Ottawa, and to seek the agreement of the Japanese Government to the establishment of a Canadian Embassy in Tokyo, with yourself as Chargé d'Affaires *ad interim*, after the coming into force of the Peace Treaty.

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30. DEA/11345-A-40

Le secrétaire d'État aux Affaires extérieures
au chef de la mission de liaison à Tokyo

Secretary of State for External Affairs to
Head, Liaison Mission, Tokyo

TELEGRAM 106 Ottawa, April 21, 1952

RESTRICTED

CANADIAN REPRESENTATION IN TOKYO

Reference: Our telegram No. 87 of April 2.

1. We assume that you have received or will receive within the next few days the agreement of the Japanese Government to the establishment of a Canadian Embassy in Tokyo. Please confirm by telegram.

2. We informed Narita on April 19 that notification of his appointment as Chargé d'Affaires *ad interim* in a third person note from what will then be the Japanese Embassy to the Department would be acceptable to us. We suggest that you follow the same procedure in Tokyo since it would comply with paragraph 4 of the Japanese *note verbale* of January 21.

3. We shall issue a press release on April 28 which will note the following points: (a) the re-establishment of diplomatic relations between Canada and Japan; (b) the establishment of embassies in respect of countries; (c) your appointment as Chargé d'Affaires *ad interim*. You should inform the Foreign Affairs of our intentions. We have informed Narita.

31. DEA/113-1-A-40

Le chef de la mission de liaison à Tokyo
au secrétaire d'État aux Affaires extérieures

Head, Liaison Mission, Tokyo,
to Secretary of State for External Affairs

TELEGRAM 62 Tokyo, April 23, 1952

RESTRICTED

CANADIAN REPRESENTATION, JAPAN

Reference: Your telegram No. 106.

Japanese note of April 21st concurring in elevation of mission to Embassy. The procedure for notification of my appointment as Charge d'Affaires and your proposed press release agreed to informally. Letter follows.†

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32. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa,] October 15, 1952

. . .

APPOINTMENT; CANADIAN AMBASSADOR TO JAPAN

1. *The Prime Minister*, referring to discussion at the meeting of March 18th, said it was necessary to appoint an Ambassador to Japan. It was desirable that he should be familiar with the important matters involved in Canadian relations with Japan and also have an understanding of the attitude on the West Coast of Canada toward Japanese problems. The Minister of Fisheries, who had wished for some time to retire, had agreed to remain in the government until the end of the present Parliament. However, he would be particularly suitable for this appointment and, while not prepared to consider it for any long period, would be ready to serve for a year or so. The Queen's approval had been secured and it was recommended that Mr. Mayhew be appointed effective November 15th. The appointment would involve Mr. Mayhew's resignation from the government.

2. *The Cabinet* approved the recommendation of the Prime Minister and agreed that the Honourable R.W. Mayhew be appointed Canadian Ambassador to Japan effective November 15th, 1952; an Order in Council to be passed accordingly.

(Order in Council P.C. 4299, Oct. 15, 1952)†

. . .

SECTION G

ESPAGNE/SPAIN

33. DEA/8150-40

Note de la Direction européenne
pour le sous-secrétaire d'État adjoint aux Affaires extérieures

Memorandum from European Division
to Assistant Under-Secretary of State for External Affairs

[Ottawa,] August 18, 1952

MEMORANDUM FOR MR. RITCHIE

As was anticipated, when the Spanish Consul-General, Dr. G. Baraibar, paid a courtesy call this morning, he referred to the desirability of the establishment of direct diplomatic relations between Ottawa and Madrid. In addition to making the usual argument about the opportunities which would be afforded for the development of closer relations between Canada and Spain by the establishment of direct channels of communication between the two governments, Dr. Baraibar went on to point out that Canada was the only North Atlantic Treaty country that did not have a diplomatic mission in the Spanish capital.

2. You will recall that toward the end of last year, the Spanish raised with us on three occasions the question of an exchange of diplomatic missions. General Vanier was authorized to inform the Spanish Ambassador in Paris that the question was being studied and that a considered reply would be forthcoming in due course. The subject was again raised in a memorandum to the Minister dated April 4th, which was initialled by Mr. Heeney but which would not appear to have reached Mr. Pearson. This memorandum is flagged on the attached file.†

3. I should be glad if you would let me know what further action, if any, you consider might be taken on this subject at this time.[20]

R.E. C[OLLINS]

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[20] Note marginale :/Marginal note:
Minister instructs that active consideration be given to this subject. W[ilgress]

34. DEA/8150-40

Extrait d'une note de la Direction européenne pour le sous-secrétaire d'État aux Affaires extérieures

Extract from Memorandum from European Division to Under-Secretary of State for External Affairs

CONFIDENTIAL [Ottawa,] August 27, 1952

EXCHANGE OF DIPLOMATIC REPRESENTATION WITH SPAIN

The Minister's request that active consideration be given to the opening of a diplomatic office in Spain raises a number of questions relating to the timing of a proposed submission to Council, the nature of our representation in Madrid, and ancillary personnel and administrative problems.

2. On the question of timing, I am not aware of any serious political grounds which would make it inadvisable to go ahead with a submission to Council in the near future. Over the past few months, the press has reported the few incidents in Spain involving the desecration of Protestant churches. The Spanish Government, however, has not been implicated in any of these happenings, but has on the contrary incurred the wrath of Cardinal Segura, Archbishop of Seville, for being too tolerant in the face of Protestant proselytising. If there are complaints from Protestant quarters against the opening of an office in Madrid, we could point out that we are in a better position to make our views known to the Spanish Government once we have established diplomatic relations.

3. In considering the claims of other countries against those of Spain, it will be recalled that in the general review on the opening of new missions prepared last October, the Minister approved the proposal regarding the opening of a mission in "the Vatican or Spain" during the fiscal year 1952-53. As it is understood that the Government is not considering the opening of a mission at the Vatican for the time being, there seems to be no reason why the case of Spain should not be put up.

4. The question of the nature of our representation in Spain is rather more difficult. Two important political considerations in this respect are the wishes of the Spanish and the problem of "equating" our representation in Madrid and Lisbon. The aide-mémoire left with General Vanier last December by the Spanish Ambassador in Paris expressed the hope that Canada would exchange "Ambassadors or in any case Ministers". In various recent verbal representations, Spanish officials have likewise referred to an exchange of Ambassadors. Although we have been more and more inclined to minimize the distinction between embassy and legation, this is not the case in the Iberian Peninsula, and this fact, combined with Lisbon's traditional jealousy of Madrid would appear to make it necessary to consider carefully the results likely to flow from any given establishment in the Spanish capital. We understand from Mr. Glass,[21]

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[21] Lester Smith Glass, chargé d'affaires par intérim au Portugal.
Lester Smith Glass, Chargé d'Affaires a.i. in Portugal.

for instance, that the appointment of a resident Canadian Ambassador in Spain would not go unnoticed by Portuguese officials who have already indicated that Canada's interests would be better served by having a resident Minister in Lisbon.

5. It was suggested to Mr. Glass that one way out of this difficulty might be to have a Minister (or Ambassador) accredited to both Lisbon and Madrid, the head of mission spending about the same amount of time on both sides of the Meseta. Mr. Glass, however, foresaw a number of difficulties in this suggested solution. It appears that South Africa has a representative accredited in the two Iberian capitals but that the Portuguese are so jealous of his trips to Spain that it has been impossible on occasion for him to fly to Southern France because this involved a stop-over in Barcelona. In addition to the difficulties which might be caused by this fantastic pettiness on the part of the Portuguese, there remains the important fact that we are not likely to have enough dealings with the Portuguese to justify the presence of a head of mission there for six months, while, on the contrary, our dealings with Spain may in the course of time come to assume considerable importance.

6. If we wish to placate the Portuguese, there would appear to be three possible courses of action open to us:

(a) A resident head of mission might be appointed to both Lisbon and Madrid. This would in effect almost double the cost of establishing a mission in Madrid (in view of the increased expenditure in Lisbon), and it would probably be difficult to justify full-scale representation in Portugal on any practical terms.

(b) A head of mission in a country other than Portugal (e.g. Italy) might be dually accredited to Madrid. This would more or less equate our representation in the two Iberian capitals, as it would accord with existing arrangements in Lisbon. However, the Spanish have indicated that they would not care for dual accreditation. Further it must be recognized that such an arrangement would involve leaving the Rome office for protracted periods without a head of mission. I also understand that as a general principle we do not favour the accreditation to Ottawa of foreign heads of mission in Washington, which would almost certainly be involved in any such solution.

(c) We might postpone the appointment of a head of mission to Madrid and place the office under a Chargé d'Affaires from this Department. Such an arrangement might possibly be acceptable to the Spanish and would probably not cause difficulties in Lisbon. It is doubtful, however, whether this could be more than a temporary way out, especially as it would in effect place our mission in Madrid on much the same basis as our mission in the USSR and the Satellites. While our relations with Spain can hardly be described as "cozy", we would, I think, be making a mistake if we gave the impression that in establishing diplomatic relations we wished to go no further than the formal minimum accorded to the Iron Curtain countries.

7. As none of these solutions is very attractive, it would perhaps be best to approach the Spanish problem independently of its Portuguese ramifications,

realizing that a decision to open a mission in Madrid will undoubtedly complicate the already unsatisfactory situation in Lisbon.

8. This division is not in a position to advise on the administrative or financial aspects of the problem. . . .

You might therefore wish us to arrange for a meeting of representatives from the appropriate functional divisions, perhaps after Mr. Ritchie's return, at which the question of a submission to Council could be discussed.

R.E. C[OLLINS]

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35. DEA/8150-40

Note du sous-secrétaire d'État aux Affaires extérieures pour la Direction européenne[22]

Memorandum from Under-Secretary of State for External Affairs to European Division[22]

CONFIDENTIAL [Ottawa,] September 3, 1952

EXCHANGE OF DIPLOMATIC REPRESENTATION WITH SPAIN

I am grateful to the European Division for the memorandum of August 27 on the above subject and for the very thoughtful appraisal of the various factors which have to be taken into account in connection with the exchange of Diplomatic representation with Spain.

2. The Minister has requested that we give active consideration to the opening of a Diplomatic Office in Spain, but with regard to the timing of a proposed submission to Council, this is subject to the following two factors:

(a) we first must make more progress in the setting up of new Diplomatic Missions for which authority has already been received from Council, e.g., Venezuela, Colombia, Indonesia and Ceylon;[23]

(b) the submission to Council must be made at a time when the Minister is in Ottawa for a period of at least two weeks at a time. So far as we can foresee, the only such period until the end of the year is likely to be from September 26 to October 14.

3. Acting upon the suggestion in paragraph 8 of the memorandum, I think it would be useful if Mr. Ritchie could convene a meeting of the appropriate functional Divisions, which meeting should also be attended by Mr. Macdonnell. At such a meeting it should be emphasized that the whole question is still very tentative and that the purpose of the meeting is exploratory, with a view to deciding the various factors which have to be taken into account before a submission to Council is prepared. I would like to have a report of this meeting

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[22] L'original porte la mention :/The following was in the original:
(through Mr. Charles Ritchie)

[23] Notre exemplaire du document porte l'ajout :
The following was written on this copy of the memorandum:
& Vienna.

before authorizing the preparation of a submission to Council to be considered during the period of September 26 to October 14.

4. With regard to the questions of substance raised in the memorandum I feel quite sure that the only type of representation which would satisfy the Spanish Government would be the opening of an Embassy in charge of a duly accredited Ambassador. Anything less would probably have a worse effect on Canadian-Spanish relations than doing nothing at all. This gives rise to the delicate question of how to avoid the susceptibilities of the Portuguese. Here again probably nothing less than a Legation in charge of a duly accredited Minister would satisfy the Portuguese Government. They made it clear that while they accept the present arrangement of dual accreditation, they would not wish this to continue indefinitely. It might be possible to get away with maintaining a Legation at Lisbon instead of an Embassy, simply because the present Mission is a Legation, but from the point of view of expense and personnel, it now makes little difference to us whether a Mission has the status of an Embassy or a Legation if we have to have a fully accredited Ambassador or Minister in the post. However, on balance I think it would be preferable not to raise the Mission at Lisbon to the status of an Embassy when we appoint a full time Diplomatic representative to be in charge of the post, but perhaps you could give further consideration as to what you think the attitude of the Portuguese Government would be on this question.

5. To sum up, the opening of a Diplomatic Mission in Madrid will involve not only the appointment of a full time Ambassador to that post, but also the appointment of at least a full time Minister to Lisbon. I think it is on this basis that the meeting to be called in accordance with paragraph 8 of your memorandum should consider tentatively the questions involved.

L.D. W[ILGRESS]

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36. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa,] October 9, 1952

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EXTERNAL AFFAIRS; OPENING OF NEW MISSIONS IN AUSTRIA, CEYLON, INDONESIA AND SPAIN

36. *The Secretary of State for External Affairs* referring to discussion at the meetings of January 23rd[24] and June 19th, 1952,[25] sought authority to make preparations for the opening of new Canadian Missions in Austria, Ceylon, Indonesia and Spain.

An explanatory note had been circulated.

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[24] Voir le document 40./See Document 40.

[25] Voir le document 26./See Document 26.

(Minister's memorandum, Oct. 7, 1952, — Cab. Doc. 322-52)†

37. *Mr. Pearson* explained that it was intended to put the office in Austria under the supervision of a chargé d'affaires with the Canadian Minister to Switzerland accredited to that country. A High Commissioner to Ceylon would be appointed eventually with the main function of looking after Canadian interests under the Colombo Plan. The Indonesian Office would be small and was required primarily for trading purposes.

It was thought advisable to establish a Canadian office in Madrid as soon as possible as Spain was the only important European country to which Canada had not yet accredited diplomatic representatives. This was an anomalous situation which presented the further disadvantage of somewhat restricting the field of action of the Canadian Trade Commissioner who had been posted to Madrid some time ago. It was thought that Canadian interests might possibly have fared rather better in the case of Barcelona Traction if this matter had been handled directly by our own representatives rather than through the diplomatic offices of the United Kingdom.[20]

As a general rule, it was not proposed at this time to open any new offices unless such course of action appeared to be desirable in the interests of Canadian trade.

38. *Mr. Pearson* added that the Department of Trade and Commerce would soon close its Trade Commissioner Office at Los Angeles. As there were approximately 100,000 Canadians in and around Los Angeles and for other reasons, it was thought that Canada should establish a Consulate in that City upon the departure of the Canadian Trade Commissioner.

An explanatory note had been circulated.

(Minister's memorandum, Oct. 7, 1952, — Cab. Doc. 323-52)†

39. *The Cabinet*, after discussion,

(a) approved in principle the opening of new Canadian Diplomatic Missions in Austria, Ceylon, Indonesia and Spain;

(b) agreed that a Canadian Consulate be established at Los Angeles upon the departure from that City of the Canadian Trade Commissioner; and

(c) authorized the Department of External affairs to increase its establishment accordingly and to provide in its estimates for the new offices.

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[20] Voir les documents 943-945./See Documents 943-945.

SECTION H

ÉTATS-UNIS (NOUVELLE-ORLÉANS; SEATTLE; LOS ANGELES)
UNITED STATES (NEW ORLEANS; SEATTLE; LOS ANGELES)

37. DEA/8508-40

Extrait du procès-verbal des chefs de direction
Extract from Minutes of Meeting of Heads of Division

SECRET Ottawa, February 11, 1952

. . .

Canadian Consulate, New Orleans

19. *Mr. Chance.* The new Consulate established in New Orleans, Louisiana, with offices at 201 International Trade Mart will be open for regular consular business on February 15, 1952.

The State Department has been informed of the appointment of Mr. Gerald Anderson Newman as Consul and Trade Commissioner and of Mr. Charles Odilon Roger Rousseau as Vice Consul and Assistant Trade Commissioner with jurisdiction in the States of Alabama, Arkansas, Florida, Georgia, Louisiana, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee and Texas; and of the consequential redistribution of Canadian consular territories in the United States which will now become effective on February 15, 1952. The revised territories are as follows:

Post	*Territory*
New York	New York State, Connecticut, Pennsylvania and New Jersey.
Chicago	North Dakota, South Dakota, Minnesota, Wisconsin, Illinois, Indiana, Kentucky, Missouri, Iowa, Nebraska and Kansas.
San Francisco	Washington State, Montana, Oregon, Idaho, Wyoming, California, Nevada, Utah, Colorado, Arizona and New Mexico.
Boston	Massachusetts, Rhode Island, Vermont, New Hampshire and Maine.
Detroit	Michigan and Ohio.
New Orleans	Texas, Oklahoma, Arkansas, Louisiana, Mississippi, Tennessee, Alabama, North Carolina, South Carolina, Georgia and Florida.
Washington	District of Columbia, Maryland, Delaware, Virginia and West Virginia.

It is not proposed to alter existing Commissions and Exequaturs but to change them only as officer replacements take place.

38. DEA/10137-F-40

Note du sous-secrétaire d'État aux Affaires extérieures pour le secrétaire d'État aux Affaires extérieures

Memorandum from Under-Secretary of State for External Affairs to Secretary of State for External Affairs

[Ottawa,] October, 7, 1952

ESTABLISHMENT OF CONSULATES IN SEATTLE AND LOS ANGELES

The need for establishing consular offices at Seattle and Los Angeles has been under study for some time and I have now reached the conclusions, subject to your approval, that we should proceed with the opening of Consulates in these two cities as soon as possible.

2. The Department of Trade and Commerce have decided to close their Trade Commissioner's office in Los Angeles as the volume of commercial work does not apparently warrant its continued maintenance and the greater part of their work has been on our behalf. There are many Canadians living in Southern California (more than 100,000 in Los Angeles County alone). In addition, a very large number of Canadian tourists, especially from the Western Provinces, are attracted to that area. The office accommodation now held by the Trade Commissioner is suitable for a Consulate and has the added advantage of being known as a Canadian office. Your colleague, Mr. Winters,[27] has expressed interest in keeping an office in Los Angeles to continue the activities of the Tourist Bureau. The United Kingdom Consulate General in Los Angeles have informed the Consulate General in San Francisco that they are unable to take on additional consular work for us when the Trade Commissioner's Office closes.

3. In Seattle, where we have had no Canadian Government Office since the Immigration Office closed, the volume of consular work is likely to be even heavier than in Los Angeles. The United Kingdom has recently elevated their Consulate in Seattle to a Consulate General and have informed us that they are not too happy about the fact that 40% of the Consulate General's activities are on Canada's behalf. Shipping and trade enquiries, tourist and information work, naval visits, immigration, passport and citizenship problems would all be handled by a consular post in Seattle.

4. Mr. Wrong and the interested divisions in this Department have all agreed on the necessity of opening Consulates in these two cities in the near future.

5. If these Consulates are to be opened in the coming fiscal year, it will be necessary to make provision for them in the Estimates. I should appreciate it,

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[27] R.H. Winters, ministre des Ressources et du Développement économique.
R.H. Winters, Minister of Resources and Development.

therefore, if you would take this matter up with Cabinet before your departure for New York.[28]

L.D. WILGRESS

SECTION I

URUGUAY, VENEZUELA ET COLOMBIE
URUGUAY, VENEZUELA AND COLOMBIA

39. DEA/1082-40

Le sous-secrétaire d'État adjoint aux Affaires extérieures au sous-secrétaire d'État aux Affaires extérieures

Assistant Under-Secretary of State for External Affairs to Under-Secretary of State for External Affairs

PERSONAL AND CONFIDENTIAL Rio de Janeiro, January 22, 1952

Dear Arnold [Heeney]:

I visited Montevideo on Wednesday, January 17, a date which was more convenient to the Uruguayan authorities than Friday, January 19, the date I had originally planned to go there. The Minister of Foreign Affairs was away on summer holidays and my appointment was arranged with the Under-Secretary, Dr. Eduardo Jimenez Arechaga, who is also the Acting Minister. Incidentally, the appointment was arranged through the Uruguayan Legation in Buenos Aires and I found on my arrival in Montevideo that no communication had been received from Dr. Luis Soto[29] although he assured both Sicotte[30] and me that he had sent an airmail letter to his government on or about November 16 last.

I saw the United Kingdom Ambassador before going to the Foreign Office and learned from him that one of the things which most disturbed the Uruguayans was our failure to open an office after taking preliminary steps in Montevideo, such as looking for living and office accommodation. Therefore, when talking to the Acting Minister, I reviewed in considerable detail the developments which led to the government's decision to postpone the opening of an office in Uruguay. I emphasized that our attitude was not different from that of 1946 when an exchange of diplomatic representation was first discussed with them and that as soon as we were in a position to expand our service in Latin America, Uruguay would have a place of priority.

I indicated that the present international situation, about which all democratic countries like Uruguay and Canada were becoming increasingly concerned, might result in Canadian offices being opened in certain areas where Canadian representation might produce benefits for both our countries. I thought it advisable to make known this possibility to avoid later misunderstanding if we should open in some European country before establishing an office in Uruguay. I told him also our plans for double accreditation in Portugal and of the difficulties we were experiencing because of staff shortages in appointing an Ambassador to Argentina. I spoke too of the increasing pressure upon Canada from countries where no Canadian diplomatic office now exists and who were anxious to exchange representatives with us.

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[28] Voir le document 36./See Document 36.

[29] Chargé d'affaires à la légation de l'Uruguay.
Chargé d'Affaires, Legation of Uruguay.

[30] Gilles Sicotte de la Direction de l'Amérique et de l'Extrême-Orient.
Gilles Sicotte, American and Far Eastern Division.

After this full explanation of our position, I said that Mr. Pearson had asked me to visit Montevideo during my tour of Latin America, first, to reassure the Uruguayan Government that Canada was anxious to maintain and develop the good and friendly relations which had always existed between our two countries and to continue the cooperation which we had always extended one to the other in the international field and, second, to explore possibilities which might enable us to have an exchange of diplomatic representatives which both our countries desired. I mentioned that it had occurred to me personally that a formula of double accreditation such as Canada now had in certain European countries might be the solution. Dr. Arechaga replied that he was sure this would be an acceptable arrangement to his government. When I asked him to suggest a Head of Mission whose territory might also include Uruguay, he proposed our Ambassador to Argentina.

I was careful to make no reference to a permanent office under a Chargé d'Affaires being established in Montevideo. (You will recall that when I discussed the matter with George Heasman, he stated that Trade and Commerce would be prepared to assign a trade officer to Montevideo to be in charge of our office there during the absence of our Ambassador.) I asked what additional expenses would be involved for Canada, what would be the further responsibilities for our Ambassador to Argentina and what would be the increased demands on his time. Dr. Arechaga said that he could think of no additional expenses with the exception of the Ambassador's travelling costs when he visited Montevideo. The further responsibilities and the demands on his time would involve merely visiting Montevideo infrequently when some current item of business between our two countries required his presence in that city for discussions with the Uruguayan authorities. You can see, therefore, that there is little additional cost involved for us although we can expect, I am sure, the Uruguayans to press at some future date for the establishment of an office in their capital under a Chargé d'Affaires, if not for the appointment of a separate Head of Mission. However, there is no such request at this time and I think that these arrangements are highly satisfactory from our standpoint.

I made clear that as an official I was in no position to make any commitment on behalf of the Canadian Government but that I would, on my return to Ottawa, acquaint the Canadian Government with these recommendations and I had every reason to believe that it would be prepared to authorize the small additional cost which would be involved for our Department. On his side, he explained that he too would have to put the matter formally before his government but he was reasonably certain it would be approved and that he would communicate such approval to our Chargé d'Affaires in Buenos Aires. In view of Soto's neglect in arranging my appointment, I considered this to be much the best channel to follow. It is probable that you will be hearing from Roy[31] before my return to Ottawa and can then initate the necessary steps.

Yours sincerely,

HERB [MORAN]

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40. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa,] January 23, 1952

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DIPLOMATIC REPRESENTATION; . . . AUSTRIA, URUGUAY, VENEZUELA AND COLOMBIA

49. *The Secretary of State for External Affairs* said it was proposed to . . . arrange for Mr. Victor Doré, Minister to Switzerland, to be accredited also as Minister to Austria. For the present, the last merely involved extending Mr. Dore's territory, although later it might be found desirable to establish a small office in Vienna under a junior officer acting as chargé d'affaires.

He mentioned also that Uruguay had become so sensitive, as a result of Canada's failure to open an office in Montevideo, that it had withdrawn its Minister from Ottawa and, what was of real importance, was making difficulties for Canadian exports in a market of some consequence to Canada. As a result, the Department of Trade and Commerce had received complaints from Canadian exporters. It therefore appeared desirable to arrange for the next Ambassador to Argentina to be accredited to Uruguay as well, without for the present opening an office in Montevideo. It was understood that the Uruguayan government was likely to accept this solution for the present, although it might later become necessary to agree to establish an office there either under an officer from External Affairs or from the Trade Commissioner service.

Similarly, Venezuela and Colombia were upset about Canada's delay in agreeing to exchange diplomatic missions and, in consequence, the Canadian trade position was suffering. These countries were two of Canada's most important markets in Latin America and, as was true of Uruguay, Canadian trade rather than political interests called for diplomatic representation. In these circumstances, and since Venezuela and Colombia would not accept one Ambassador between the two countries, it was proposed to raise the Consulate General in Venezuela to an Embassy, and probably appoint the present Consul

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[31] Lionel Roy, chargé d'affaires en Argentine.
Lionel Roy, Chargé d'Affaires in Argentina.

General as Ambassador (without adding to the staff for the present at least), establish an Embassy also in Colombia and select an Ambassador for this post later in the year. The change in Venezuela would entail little new expenditure; that in Colombia would require limited additional annual expenditures in the neighbourhood of $50,000.

50. *The Minister of Trade and Commerce* agreed that important commercial interests in the three Latin American countries mentioned were suffering as a result of the lack of Canadian diplomatic representation and the changes proposed by Mr. Pearson were desirable for trade reasons. He felt it might also be necessary to establish a trade commissioner in Uruguay in the near future.

51. *The Prime Minister* said he had received representations from an Austrian source that Canada should provide some form of recognition of that country's existence and its desire to remain outside the Soviet orbit. If trade interests made necessary the action proposed with regard to Uruguay, Venezuela and Colombia, there appeared to be no alternative open to the government.

52. *The Cabinet*, after further discussion, approved the recommendations of the Secretary of State for External Affairs and:

1. agreed that:

. . .

(b) Mr. Victor Doré, Minister to Switzerland, be appointed also Minister to Austria;

(c) the next Ambassador to Argentina be appointed also Ambassador to Uruguay;

(d) representation in Venezuela be raised to the status of an Embassy;

(e) an Embassy be established in Colombia; and,

2. noted that offices would not be established in Austria or Uruguay without further consideration.

. . .

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41. DEA/1720-40

Note du sous-secrétaire d'État adjoint aux Affaires extérieures pour le sous-secrétaire d'État par intérim aux Affaires extérieures

Memorandum from Assistant Under-Secretary of State for External Affairs to Acting Under-Secretary of State for External Affairs

CONFIDENTIAL [Ottawa,] May 26, 1952

The position as regards the opening of new Missions in Latin America, according to the information available to me, appears to be as follows:

(a) I gathered from Mr. Moran that Uruguay as well as Venezuela[32] and Colombia would be satisfied of dual representation. As regards Uruguay, this fits in with the decision taken by Cabinet.

(b) Cabinet has agreed, in January, that consideration be given to the opening of Embassies in Venezuela and Colombia. This is at variance with the discussions held by Mr. Moran while he was in Bogota and Caracas.

(c) We are including in the supplementary estimates a global sum which could be used this fiscal year for the opening of those three Missions.

2. The decision as regards Uruguay is easy; the Government of Uruguay[33] is agreeable to dual representation; the Department of Trade and Commerce appears to be willing to supply an officer to act as Chargé d'Affaires in Montevideo; Cabinet decision is on the basis of double accreditation.

3. The only action to be taken here would be to come to a final understanding with the Department of Trade and Commerce, if this has not yet been done and, advise the Uruguayan authorities that Major-General LaFlèche will also be Minister or Ambassador to Uruguay.

4. Since Uruguay has always had a priority over Venezuela and Colombia as regards a commitment from the Canadian Government, I would recommend that action be taken as soon as possible. We would then be in a better position to cope with the problems of Venezuela and Colombia.

5. These two countries seem to be more or less on the same footing and what is done for one should be done for the other. It seems to be difficult to consider the appointment of Ambssadors although we can no longer argue that it is because of the lack of funds. There is the Cabinet directive of January which will remain operative until it is reversed and I presume that it is not the intention of the Department to have it reversed. Therefore, some progress should be made; otherwise, we might be open to criticism.

6. A further complication is the fact that it would be rather odd to appoint a Chargé d'Affaires only in Montevideo and to send Ambassadors to Caracas and Bogota. I am wondering if the following suggestion, coupled with that already made as regards Uruguay, would not meet the situation at least for some time:

7. That the Governments of Venezuela and Colombia be advised in the near future of our intention to open Embassies in those countries and be told, at the same time, that because of the lack of personnel available for appointment to the rank of Ambassador, the Missions will be in the charge of Chargé d'Affaires for some time. I realize that this is but a half-way measure and that it would be much more satisfactory if Ambassadors were appointed from the start; still it would meet our immediate requirements and partly solve the problem for the next year and a half or two.

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[32] Note marginale :/Marginal note:
Question of dual represent[ation] was never raised with Venezuela. [H.O. Moran]

[33] Note marginale :/Marginal note:
Uruguay will expect same treatment as Colombia. [H.O. Moran]

8. I already referred to the fact that consideration was being given to appointing a Trade and Commerce officer as Chargé d'Affaires in Uruguay. The temptation is great to follow a similar pattern in Colombia and Venezuela. It would be less of a strain on our personnel and possibly also on our finances. I have come to the conclusion, however, that this should be resisted and that the Department should assume full responsibility for the new offices to be established in Caracas and Bogota.[34] We would be creating a very dangerous precedent indeed if we agreed to rely on the Department of Trade and Commerce to open and take over from the start three of our Missions in Latin America. Not only would we partly lose control over those Missions but we would be agreeing to a form of representation which is not necessarily in the best interests of Canada. Frankly, I am rather worried by the recent trends whereby more and more[35] of our consular posts are being handed over to the Department of Trade and Commerce.[36] If this trend were now to develop also in our Latin American Missions, I can foresee endless difficulties.[37]

9. There are in my opinion Foreign Service Officers[38] that are well qualified to be appointed as Chargé d'Affaires to Caracas and Bogota; if a Foreign Service Officer 3, 4 or 5 is considered a satisfactory candidate to become Chargé d'Affaires in Poland or for that matter Moscow, there is no reason why appointments from the same ranks could not be made in those two new Latin American Missions. I realize that it is generally agreed that the emphasis should be placed on trade in our Missions in Latin America; even trade, however, will not necessarily be better served by a Trade commissioner acting as Chargé d'Affaires than by a Foreign Service Officer in the same capacity, assisted by a Commercial Secretary.

10. I hope that some action can be taken on this matter after Mr. Moran's return. You may wish to call a meeting before Mr. Wilgress arrives so that plans could be submitted for his consideration. Mr. Howe's trip to Latin America in the autumn is an additional reason why this should be done.

J. L[ÉGER]

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[34] Note marginale :/Marginal note:
agree. [H.O. Moran]

[35] Note marginale :/Marginal note:
?? [H.O. Moran]

[36] Note marginale :/Marginal note:
New Orleans is under T[rade] & C[ommerce] temporarily. [H.O. Moran]

[37] Note marginale :/Marginal note:
Detroit was to be closed but when T[rade] & C[ommerce] sent a trade commissioner there and asked that he also have consular status we agreed. [H.O. Moran]

[38] Note marginale :/Marginal note:
Qualified but not always available unless removed from other duties. [H.O. Moran]

42. PCO

Extrait des conclusions du Cabinet
Extract from Cabinet Conclusions

TOP SECRET [Ottawa,] August 27, 1952

. . .

EXTERNAL AFFAIRS; CANADIAN EMBASSIES IN COLOMBIA AND VENEZUELA

72. *The Secretary of State for External Affairs* recalled that Cabinet had approved in principle on January 23rd, 1952, the raising of the Canadian missions in Colombia and Venezuela to the status of embassy. He now submitted recommendations concerning appointments of ambassadors.

73. *The Cabinet* approved the recommendations of the Secretary of State for External Affairs and agreed that:

(a) Mr. Edmond Turcotte, Consul General in Caracas, be appointed Canadian Ambassador to Colombia; and,

(b) Harry Norman, Esquire, be approached to ascertain whether he would accept appointment as Canadian Ambassador to Venezuela.

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43. PCO

Extrait des conclusions du Cabinet
Extract from Cabinet Conclusions

TOP SECRET [Ottawa,] September 24, 1952

. . .

URUGUAY; OPENING OF CANADIAN DIPLOMATIC MISSION

55. *The Secretary of State for External Affairs*, referring to discussion at the meeting of January 23rd, 1952, said that, in view of the appointment in the near future of Canadian Ambassadors to Venezuela and Colombia, it was desirable at this time to accredit the Canadian Ambassador to Argentina as Ambassador to Uruguay and at the same time to open a small Canadian Mission at Montevideo which would be under the supervision of a foreign service officer as chargé d'affaires. The Department of Trade and Commerce also proposed to post a foreign service trade officer at Montevideo as soon as a suitable transfer could be arranged. It was thought advisable that the new Mission be opened by December 15th prior to the forthcoming Latin-American tour of the Minister of Trade and Commerce.[39]

An explanatory note had been circulated.

(Memorandum, Acting Secretary of State for External Affairs, Sept. 22, 1952 — Cab. Doc. 304-52)†

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[39] Voir le document 1040./See Document 1040.

56. *The Cabinet*, after discussion, agreed that the Department of External Affairs open an office at Montevideo, Uruguay, increase its establishment to provide the required additional staff and provide in its estimates for the expenses of maintaining that office.

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44. DEA/1082-40

Le secrétaire d'État aux Affaires extérieures
au chargé d'affaires de la légation de l'Uruguay

Secretary of State for External Affairs
to Chargé d'Affaires, Legation of Uruguay

CONFIDENTIAL Ottawa, [September 25, 1952]

I have the honour to inform you that the Government of Canada is now in a position to open a diplomatic mission in Montevideo. You are, I know, aware of the various factors which have earlier prevented the Government of Canada from reciprocating the action taken some time ago by the Government of Uruguay in establishing its Legation in Ottawa.

In view of the importance of hemispheric relationships, and the desirability of strengthening the links between two democratic nations which are members of the free world, the Government of Canada feels it appropriate to propose that the diplomatic missions exchanged have the status of Embassy.

Would you, therefore, seek your Government's approval of the establishment in the immediate future of an Embassy of Canada in Montevideo and the elevation of your Legation in Ottawa to the status of Embassy.

If this proposal meets with the approval of your Government, the Canadian Government wishes to request the agrément of the Government of Uruguay for the appointment of Major General the Honourable Léo Richer LaFlèche, D.S.O., as Ambassador Extraordinary and Plenipotentiary of Canada to Uruguay. It is intended that Major General LaFlèche would continue also in his present capacity as Ambassador of Canada to Argentina and during his absence from Montevideo, the Embassy of Canada would be in the charge of a Chargé d'Affaires *ad interim*. I attach for the information of your Government biographical data concerning Major General LaFlèche.

It is assumed that your Government will wish to have announcement made simultaneously in Montevideo and Ottawa concerning this significant step in diplomatic relations between our two countries and that until agreement has been reached on a mutually convenient date, this matter will be treated as confidential.

I look forward to hearing from you of your Government's answer to these proposals.

Accept, Sir, etc.

45. DEA/6453-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis

Secretary of State for External Affairs
to Ambassador in United States

DESPATCH B-1519 Ottawa, September 29, 1952

CONFIDENTIAL

EXCHANGE OF DIPLOMATIC REPRESENTATION WITH VENEZUELA

Cabinet authorization has been obtained for the exchange of diplomatic missions with Venezuela. It would be appreciated if you would approach the Venezuelan Ambassador at Washington and request that he inform his Government that the Canadian Government is now in a position to proceed with this long-desired exchange. A formal note to this effect should be given to him, stating that we wish to take immediate steps to open an Embassy in Caracas and would welcome the reciprocal establishment by the Venezuelan Government of an Embassy in Ottawa. It is assumed that the Venezuelan Government would wish to have the announcement of this important development made simultaneously in Ottawa and Caracas and that in the meantime the matter will remain confidential. We should be glad to learn of the announcement date which would be convenient to the Venezuelan authorities.

2. Please further inform the Venezuelan Ambassador that should his Government agree to the exchange of Embassies, you have instructions to request agrément for the appointment of Mr. Henry Gordon Norman, C.M.G., as Ambassador of Canada to Venezuela. Two copies of a curriculum vitae of the proposed appointee are attached.†

3. Please report by telegram on your approach to the Venezuelan Ambassador.[40]

R.M. MACDONNELL
for Secretary of State
for External Affairs

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[40] Une lettre semblable concernant la Colombie a été envoyée à l'ambassadeur à Washington, le 11 octobre 1952.
A similar letter regarding Colombia was sent to the Canadian Ambassador in Washington on October 11, 1952.

46. DEA/11264-C-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-2489 Washington, October 31, 1952

CONFIDENTIAL

Reference: Our WA-2489 of October 17.[†]

Following for R.M. Macdonnell, Begins:

1. The Colombian Embassy in a note dated October 31[†] has informed us of the Colombian Government's agreement to the exchange of diplomatic missions and the reciprocal establishment of Embassies at Ottawa and Bogota. The Embassy also suggested that a press release be issued on November 3 but stated that they had not yet received agrément for the appointment of Mr. Edmond Turcotte.

2. Following a conversation with the Colombian Embassy officials and with Stark[41] at Ottawa, we have now agreed with the Embassy that a simultaneous press release will be issued when agrément for Mr. Turcotte has been received. The Colombian Embassy have wired to Bogota and hope to receive the agrément by Saturday morning, in which case they suggest the press release should be made on Monday, November 3, in the afternoon. If the agrément is not received Saturday morning, they will postpone issuing the press release.

3. If the Colombian Embassy received agrément on Saturday, we shall inform you by telephone. The Embassy's note of October 31 is being forwarded by bag. Ends.

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47. DEA/11264-D-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-2597 Washington, November 4, 1952

CONFIDENTIAL

EXCHANGE OF DIPLOMATIC MISSIONS WITH COLOMBIA

Reference: Our letter No. 2299 of October 31.[†]

1. The Colombian Embassy telephoned today to say that their government has granted agrément for the appointment of Mr. Turcotte as Canadian

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[41] W.G. Stark de la Direction de l'Amérique et de l'Extrême-Orient.
W.G. Stark, American and Far Eastern Division.

Ambassador to Colombia. The Colombian Government has not yet decided whom it wishes to appoint as Ambassador to Canada.

2. The Colombian Embassy suggests that simultaneous press releases should be issued on Thursday, November 6, at 12:00 noon. Their press release will be issued at the time suggested unless you inform us that this is unsatisfactory.

3. The Colombian Embassy intends to send us a note tomorrow, November 5, confirming the granting of the agrément for the appointment of Mr. Turcotte. This will be transmitted to you by bag.

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48. DEA/11264-C-40

Le secrétaire d'État aux Affaires extérieures
au consul général au Venezuela

Secretary of State for External Affairs
to Consul General in Venezuela

TELEGRAM 36 Ottawa, November 5, 1952

Colombian authorities have agreed to the proposed exchange of Embassies and have given agrément to your appointment as Ambassador. Press release will be issued for publication in afternoon newspapers of November 6. No proposal has yet been submitted by Colombian Government regarding appointment of Ambassador of Colombia.

2. The fact that the Canadian and Venezuelan Governments are discussing a similar exchange of embassies remains confidential.

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49. DEA/6453-40

L'ambassade aux États-Unis
au sous-secrétaire d'État aux Affaires extérieures

Embassy in United States
to Under-Secretary of State for External Affairs

LETTER 2319 Washington, November 4, 1952

CONFIDENTIAL

EXCHANGE OF DIPLOMATIC MISSIONS WITH VENEZUELA

Reference: WA-2595 of November 4, 1952.[†]

Attached is Note No. 3680 of November 3[†] addressed to the Ambassador from the Chargé d'Affaires of Venezuela in Washington, which is a reply to our note dated October 6[†] proposing the exchange of diplomatic missions with Venezuela. The Venezuelan Chargé d'Affaires' note expresses the pleasure of the Venezuelan Government to exchange diplomatic missions and states that the Venezuelan Government expects to be able to agree on the date of a press release and to extend agrément for the appointment of Mr. Norman as Canadian Ambassador within the first fortnight in November.

2. Attached also are two additional copies of the Venezuelan Embassy's note together with the English translation.†

S.D. PIERCE
for the Embassy

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50. DEA/6453-40

Note de la Direction de l'Amérique
pour le sous-secrétaire d'État adjoint aux Affaires extérieures

Memorandum from American Division
to Assistant Under-Secretary of State for External Affairs

RESTRICTED [Ottawa,] December 1, 1952

Memorandum for Mr. MacKay

ACCEPTANCE BY THE GOVERNMENT OF URUGUAY OF OUR PROPOSAL TO EXCHANGE DIPLOMATIC MISSIONS

This morning Mr. Luis Soto, Chargé d'Affaires of the Uruguayan Legation, called upon Mr. Stark of this Division, to show him the Spanish text of the telegram the former had received from the Ministry of External Affairs in Montevideo, concerning the exchange of diplomatic missions between the two countries.

2. In brief the message stated:

1) The Uruguayan Government accepts the Canadian proposals for an exchange of Embassies and the appointment of General LaFlèche as Ambasador.

2) The Uruguayan Government agrees to simultaneous press releases in Montevideo and Ottawa, the date to be suggested by the Canadian Government.

3. After consultation with Mr. Macdonnell and Mr. Feaver, it was decided that Thursday, December 4 would be a convenient date for the press release. Mr. Soto is informing his Government by telegraph and we have passed word to the Press Office who will put out the Canadian release around 10:30 a.m. on Thursday, December 4, thus in time for the afternoon editions.

4. The message from the Uruguayan Foreign Ministry also informed Mr. Soto that, although he could make the above arrangements, the Senate of Uruguay must approve the executive order regarding the exchange of embassies and therefore General LaFlèche will not be able to present his Letter of Credence until the Senate acts. Mr. Soto suggested that General LaFlèche should talk with the Uruguayan Ambassador in Buenos Aires, Mr. Castro, and request him to obtain information from the Uruguayan Foreign Office as to a suitable date for the credentials ceremony.

5. This last information was conveyed to Mr. Gill and, as Mr. Morin is on the verge of departure from Rio it was agreed that Protocol Division, in consultation with us and Personnel, would send a telegram to Buenos Aires

telling our Ambassador of the above, requesting him to get in touch at once with the Uruguayan Ambassador and to inform us, tomorrow if possible, whether Mr. Castro thought the Senate action might be long delayed. This telegram was repeated to Rio, and Buenos Aires was also asked to repeat its answer there for Mr. Morin's information.

6. Mr. Soto will send a formal note to the Department concerning acceptance of our proposals. He gave no reason at all for the long delay in the reply to our original note.

7. Mr. Macdonnell stated he would convey the information of Uruguay's acceptance of our proposals to the Under-Secretary.

C. EBERTS

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51. DEA/1082-40

Extrait du télégramme du secrétaire d'État aux Affaires extérieures à l'ambassadeur en Argentine

Extract of Telegram from Secretary of State for External Affairs to Ambassador in Argentina

TELEGRAM 98 Ottawa, December 15, 1952

CONFIDENTIAL. IMPORTANT.

Reference: Your telegram no. 97 of December 2[42]

As you know the Government is most anxious, for obvious reasons, that the new Embassy in Uruguay be in operation before Mr. Howe arrives.[43] The plan to exchange embassies has already been announced to the press and the Uruguayans seem to have indicated to you that they regard their legislation covering the opening of their Embassy here as a routine matter. In the circumstances, unless you see any strong objections, it would be appreciated if you would point out the foregoing to Castro and see whether he could (possibly by telephoning his Foreign Minister) do anything to hasten the time when you can present credentials. If this is impossible before arrival of Howe Mission, will you discuss with Castro who should present the Mission to his Government as we are of the opinion that you should not go to Uruguay before credentials ceremony.

. . .

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[42] Non retrouvé./Not located.

[43] Voir le document 1040./See Document 1040.

52. DEA/1082-40

Extrait du télégramme de l'ambassadeur en Argentine
au secrétaire d'État aux Affaires extérieures

Extract of Telegram from Ambassador in Argentina
to Secretary of State for External Affairs

TELEGRAM 111 Buenos Aires, December 16, 1952

CONFIDENTIAL

MONTEVIDEO

Reference: Your telegram No. 98.

Saw Castro mid-day on his arrival from Montevideo again explained the situation fully. I see him regularly when he is in town.

I asked Castro to request his Government to authorize Soto to inform you of earliest possible date on which I can present Letter of Credence. Castro put in call for his Foreign Minister and will call me as soon as possible.

. . .

53. DEA/1082-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur en Argentine

Secretary of State for External Affairs
to Ambassador in Argentina

TELEGRAM 101 Ottawa, December 19, 1952

IMPORTANT

MONTEVIDEO

Reference: Your telegram No. 111 of December 16.

Soto was informed today by Uruguayan Government that it is agreeable to presentation of credentials at your convenience. Please inform us of suitable date so that arrangements can be made for Morin to arrive in Buenos Aires in time to accompany you.

CHAPITRE II/CHAPTER II

CONFLIT CORÉEN
KOREAN CONFLICT

PREMIÈRE PARTIE/PART 1

LA CONDUITE DE LA GUERRE
CONDUCT OF THE WAR

SECTION A

LES VIOLATIONS PRÉSUMÉES DE L'ESPACE AÉRIEN DE LA CHINE
ALLEGED VIOLATIONS OF CHINESE AIRSPACE

54. DEA/50069-A-40

Le chargé d'affaires au Japon
au sous-secrétaire d'État aux Affaires extérieures

Chargé d'Affaires in Japan
to Under-Secretary of State for External Affairs

LETTER 576 Tokyo, May 22, 1952

TOP SECRET

VIOLATION OF THE YALU RIVER (MANCHURIAN BORDER)

Attached are copies of two reports dated May 17 and May 20, written by the Air Attaché, Group Captain R.W. McNair, D.S.O., D.F.C., concerning violation of the Yalu River (Manchurian Border).[†]

2. The first information, evaluated at about the lowest level of reliability, was obtained from a young USAF fighter pilot who had had a few too many drinks. G/C McNair discussed this report with me and said he would try to check the information. Fortuitously, one of the three RCAF fighter pilots attached to USAF F86 Jet Squadrons in Korea came in and gave the further information in the second report.

3. G/C McNair tells me that these border crossings were not individual instances of short extensions of flights over the border by lone pilots. He says that the crossings have been made in organized formations penetrating ten to fifteen minutes' flying time over the border in aircraft flying 500 miles an hour.

4. G/C McNair has pointed out the serious implications of these reports. They reveal an irresponsible disregard at the Group level or higher in the USAF for U.S. undertakings that U.N. Command planes would not cross the Chinese border except in very special circumstances. The special circumstance

discussed was the possibility that a large-scale Chinese air raid might be brought down on U.N. positions in Korea, making it militarily desirable to strike back before consultation with other U.N. contributors could be arranged. This circumstance has not existed in this case and there is considerable military doubt as to the actual value of these fighter sorties over Manchuria. This is borne out by the information contained in the second report which states that orders have recently been issued that pilots should not fly north of a line somewhat south of the Yalu River, in the hope that CCAF planes would fly south again in sizeable formations. It is serious that these border crossings should have been taking place about the time that the Panmunjom military armistice talks were being brought to a head. It is rather ominous that the Chinese have said nothing about these border crossings. They may have been waiting to shoot down a plane to get actual proof. If that plane had had a RCAF pilot in it, it would have been embarrassing for Canada.

5. I thought that I should draw these reports to your attention. Since orders have apparently now been issued that the border should not be crossed in some groups, you may wish simply to leave the matter for the time being. You will appreciate, I am sure, the necessity for handling this information with great delicacy lest the Canadian pilots who are getting most valuable jet operational experience in Korea should have their position questioned and lest it be suspected by the USAF that G/C McNair is the source of this information and they decide to freeze him out of contact with USAF personnel. I consider it most important that neither the position of our pilots nor that of G/C McNair should be in any way prejudiced in the handling of this information.

6. I should be grateful if you would let me know in due course the consideration given to this report in the Department and what, if any, action is taken.

ARTHUR MENZIES

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55. DEA/50069-A-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis

Secretary of State for External Affairs
to Ambassador in United States

TOP SECRET Ottawa, May 29, 1952

Dear Hume [Wrong],

I enclose a copy of letter No. 576 of May 22 from Mr. Menzies in Tokyo, which transmits two reports which give good grounds for suspecting that at some level there has been a decision to ignore the restrictions which have been placed on air operations in Korea. The State Department would, I am sure, be as concerned as we are about these reports.

As you will see, the Air Attaché in Tokyo has obtained two reports of organized flights by fighter aircraft across the Yalu, possibly as far as Mukden. It is also his opinion that these activities are not known at United Nations Command Headquarters; presumably they are not known in

Washington either. The flights appear to be the result of excessive zeal on the part of local commanders, but they are no less dangerous on that account. They have also apparently been halted for the moment, but if the decision to initiate them was taken on a relatively low level the first time, it may be taken there again unless something is done to make sure that the course of action agreed between the United States and its allies is followed on the lower echelons as well as higher up. I am sure that these considerations will appeal to the State Department.

I will leave it to your judgment how to convey this information to the State Department. While it seems to us to be another disturbing development in Korea, naturally great care will have to be taken to protect Mr. Menzies' sources in referring to it. For this reason you may not be able to state how we came by our information, asking those concerned in Washington to accept our assurances it is of a nature which gives reasonable grounds for suspicion.

Yours sincerely,

L.B. PEARSON

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56. DEA/50069-A-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TOP SECRET Washington, June 5, 1952

Dear Mike [Pearson],

Your letter of May 29th, enclosing a copy of Letter No. 576 of May 22nd from Mr. Menzies in Tokyo, raised a matter with which it is not at all easy to deal. I was most doubtful that the State Department would find it possible to take up with the Department of Defense the reports of deliberate and repeated flights into Manchuria by fighter-planes unless the sources of the reports were given; an assertion that the Canadian authorities had received enough information to give reasonable cause for suspicion that the reports were true would not be enough to satisfy them that the long and painful process of investigation should be undertaken. I took the opportunity of a visit to Washington by General Foulkes to discuss the matter with him and to ask whether he could suggest a Service channel which might be employed. He was not able to do this, but he felt strongly that the sources of our information ought to be protected, as an indication of them might prejudice the exchange of information in other contexts.

Finally, I decided that the best method of approach was to talk to Mr. Hickerson, making it clear that I was transmitting a report which, if true, would be of concern to the State Department because it meant that there had been deliberate violation by units of the U.S. Air Force of the agreed policy of the United Nations Command. As the first of the two reports from the Air Attaché in Tokyo gave as its source an unidentified U.S.A.F. fighter pilot, I decided to reveal its contents to him, telling him that a Canadian had overhead his statements when he was on leave in Japan and had reported them to the Canadian Embassy, but adding that some further confirmatory information had later been received.

Following my conversation with Mr. Hickerson, he talked the matter over with Mr. Freeman Matthews and asked me to see him again. He said that the information given was of too uncertain a quality for the State Department to accept it as true. All that they could do on receipt of a report such as this was to discuss the matter with General Bradley, and they did not feel in a position to approach General Bradley without further action on our part.

Could we, for instance, make available confirmatory information from a source or sources more trustworthy than an intoxicated pilot on leave? He added that Mr. Matthews and he presumed that we did have more convincing evidence, since otherwise we would not have taken the matter up with the State Department. I told him that such was the case, but that I was not at liberty to reveal where it came from; he could, however, be assured that it completely supported what the U.S.A.F. pilot had said. He remarked that if we were able to make this available, the State Department should then be in a position to approach General Bradley. General Bradley then would presumably telegraph to General Clark and an investigation would be put in train. (General Foulkes and I both doubt whether much would result if this were to be done. Standing orders to refrain from crossing the Yalu River would be cited as evidence that our information was unfounded and the matter might not penetrate down to the squadron or wing level at which the violations, if they in fact occurred, have originated.)

Mr. Hickerson said, as an alternative course, that if I informed the State Department *in writing* of the nature of the charges, saying that the evidence in support of them in your judgment gave good grounds for suspecting that systematic violations of Manchurian territory had in fact occurred, they would then feel able to take the matter up with General Bradley as in effect constituting a request from the Canadian Government (even if it were not put that way) that an investigation should be undertaken. I told him that I was unwilling to do this until you had given the matter further consideration. I doubt that this course also would get us much further.

The results of this discussion were pretty much what I had expected. The basic circumstance is the allegation that there has been a very serious violation of discipline, at any rate at wing or squadron levels, by the U.S. Air Force in the Far East. My conversation yesterday was the first intimation received by the State Department that this might be the case; I should think that the senior military authorities in the Pentagon are equally unaware of the reports, and also in all probability the senior military authorities in Tokyo. It is asking a good deal to expect them to start an investigation from the top, which might well end in courts-martial, without giving them a really well-documented case. This I cannot do and at the same time protect Mr. Menzies' sources. The really convincing report that we have received is that recording the questioning by Group Captain McNair of Flying Officer Nixon of the R.C.A.F., but this report cannot be passed on without damaging results. Incidentally, the only Canadian in Tokyo whom I have named is Mr. Menzies, and all I said about him was that some Canadians in Tokyo who had heard these stories had brought them to the notice of the Canadian Embassy; he had naturally thought it wise to report them to Ottawa.

Unless I pursue the matter further, the State Department does not intend to take any action and no record of my conversation has been made there. The State Department is, of course, alive to the dangers if the reports are true.

I think that this business reveals again that the arrangements in Tokyo for liaison with the U.N. Command H.Q. are defective. It should certainly be easier to get to the bottom of a story such as this if it could be effectively taken up there through a military channel.

Yours sincerely,

HUME [WRONG]

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57. DEA/50069-A-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis

Secretary of State for External Affairs
to Ambassador in United States

TOP SECRET Ottawa, June 10, 1952

Dear Hume [Wrong],

I have just received your letter of June 5 regarding mine of May 29 which dealt with certain information from Menzies in Tokyo about our operations in Korea.

I agree with you that this involves a difficult and delicate problem of communication with the authorities in Washington and that we should be very careful not only to not give away our sources, but also not to put ourselves too firmly or officially behind the information. I think that, in the circumstances, you would be wise in not pursuing the matter further now that you have discussed it informally with Jack Hickerson. My own feeling is that it would be unwise, certainly at this time, to put anything officially in writing. I agree also with the conclusion of your last paragraph that liaison arrangements in Tokyo with the U.N. High Command are certainly defective.

Yours sincerely,

L.B. PEARSON

58. DEA/50069-A-40

Le secrétaire d'État aux Affaires extérieures au haut-commissaire au Royaume-Uni

Secretary of State for External Affairs to High Commissioner in United Kingdom

TOP SECRET [Ottawa, June 16, 1952]

Dear Norman [Robertson],

We have already sent you copies of letter No. 576 of May 22 from Arthur Menzies in Tokyo. On May 29 I wrote to Hume Wrong asking him to take the matter up with the State Department. He replied on June 5 to the effect that we should not be able to get anywhere unless we put our views in writing or revealed the source of our information. I have told him that I think it would be unwise to put anything in writing officially at present. I think it would be useful if you would try to find out if the United Kingdom authorities have any similar information. I am sure that they will appreciate the need to be very careful of the source. Copies of my letters to Hume dated May 29 and June 10 and Hume's letter to me dated June 5 are attached.

Yours sincerely,

[L.B. Pearson]

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59. DEA/50069-A-40

Le haut-commissaire au Royaume-Uni au secrétaire d'État aux Affaires extérieures

High Commissioner in United Kingdom to Secretary of State for External Affairs

TOP SECRET AND PERSONAL London, June 26, 1952

Dear Mike [Pearson]:

I had a talk today with R.H. Scott, of the Foreign Office, about your top secret letter regarding information received from Arthur Menzies about air flights across the Korean border. He said the question had only once come to his attention, and that was at a rather late night session in Seoul when most of Lord Alexander's party had gone to bed, and he (Scott) had stayed up for a while with General Bridgeford, who is the senior Commonwealth officer in Japan, A/V/M Boucher, the United Kingdom liaison officer in Korea, Arthur Menzies and Selwyn Lloyd. Menzies had brought up the subject in this very limited company in guarded and general terms. Boucher said that he had formed, perhaps from the same sources, an impression very similar to that reported by Menzies. General Bridgeford, who Scott described as a shrewd, level-headed, pretty moderate-minded Australian, disagreed completely with Menzies and Boucher, and thought there could be no real foundation to the reports which had reached them. His main argument had been that the Chinese would certainly have advertised and exploited any organized or recurring U.N. air activity north of the Korean boundary. Scott said the discussion was pretty heated and the disagreement complete. He himself did not feel that the facts of the case had really been established in the discussion to which he had listened; he was, I think, impressed by Bridgeford's argument.

He recalled Boucher saying that he had reported to the C.A.S. the rumours which had reached him, but said that the Foreign Office had not received any information from the Air Ministry on the subject.

Scott will have a word with Selwyn Lloyd and with Sir John Slessor and let me know what the United Kingdom appreciation of the position is.

Yours sincerely,

N.A. ROBERTSON

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60. DEA/50069-A-40

Le sous-secrétaire d'État aux Affaires extérieures
à l'ambassade au Japon

Under-Secretary of State for External Affairs
to Embassy in Japan

LETTER Y489 Ottawa, July 16, 1952

TOP SECRET. CANADIAN EYES ONLY.

ALLEGED VIOLATION OF THE CHINESE BORDER

Reference: Your Letter No. 576 of May 22.

The need to safeguard the sources of the information contained in the attachments to your letter under reference made it very difficult for us to use the information to the full. It was decided, however, that the charges implicit in the reports received by the Air Attaché were of sufficient gravity to warrant the taking of some risk.

2. Accordingly, on May 29, the Minister himself wrote a personal letter to the Canadian Ambassador in Washington enclosing a copy of your letter No. 576 and its attachments and asked him to take the matter up with the State Department on an informal basis. I attach a copy of this letter. You will see from Mr. Wrong's reply of June 5, which is also attached, that no progress was possible in Washington. The Minister concurred in this view in a letter dated June 10, copy attached.

3. It was then decided to see whether the United Kingdom had any similar information and the attached letter of June 16 was sent to the Canadian High Commissioner in London. He replied on July 5 that discussions with the Foreign Office had also come to a dead end. I attach a copy of this letter and its enclosure.

4. The matter is, therefore, being dropped for the time being. If, however, any further information should come to light, I should be grateful if you would let

me know. I think you will agree that nothing has been done which would have any harmful effects on your Air Attaché or his informants.

E.H. NORMAN
for the Under-Secretary of State
for External Affairs

SECTION B

AFFECTATION DE TROUPES À L'ÎLE DE KOJE
ASSIGNMENT OF TROOPS TO KOJE ISLAND

61. DEA/50069-J-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis

Secretary of State for External Affairs
to Ambassador in United States

TELEGRAM EX-1155 Ottawa, May 22, 1952

SECRET. IMMEDIATE.

MOVEMENT OF CANADIAN COMPANY TO KOJE ISLAND

This will confirm my telephone messages.

2. General Foulkes informed Mr. Claxton this afternoon that the Commonwealth Division in Korea had been ordered to provide two Companies for Koje Island and that one Canadian company and one United Kingdom Company had been chosen.

3. Mr. Claxton asked me to request you to tell the United States that we did not like this proposal. He thought that we could base our position on the fact that we had acceded to the 1929 Prisoners of War Convention and the United States had not. Both countries have, however, ratified the Convention.

4. I discussed this matter with the Prime Minister and he instructed me to request you to get in touch immediately with Mr. Acheson in an effort to have the order to the Canadian Brigade countermanded. You should inform Mr. Acheson that in the Prime Minister's opinion it would be more difficult to have our people agree to any additional contribution that may be required of them in Korea if a Canadian Company were to be sent to help guard the Koje Island prison camp. It was, therefore, in his opinion, in the general interests of the United Nations that the Canadians should not be asked to do this. The Prime Minister was thinking, for example, of the possibility of a renewed offensive and a request for more Canadian forces. He added that he did not want the order to the Canadians countermanded if it would gravely affect the morale of United States forces in Korea or discredit the new Commander-in-Chief.

5. After speaking to you I informed General Foulkes. He said that so far as he knew, Mr. Claxton had not sent any message to London as you thought he might have done. General Foulkes said that there was nothing which he could

do through military channels. He added that it would probably not take any more than twenty-four hours for a Canadian Company to be moved from the front line to Koje Island.

6. After speaking to you I telephoned the Prime Minister to tell him that Mr. Pearson had been in touch with you and had suggested that we wait until we hear what the United Kingdom is doing. I also told the Prime Minister that since speaking to him I had learned that a United Kingdom Company, as well as a Canadian company, had been ordered to Koje. The Prime Minister said that if there were at Koje a United Kingdom Company, as well as a Canadian Company, this would make some difference but it would not completely remove the embarrassment which might result. He feared that it might result in quite a reversal of feeling in Canada about our participation in the Korean war. There was a lot of anxiety in Canada about what has taken place at Koje Island, and regardless of what the Government did, the sending of a Canadian Company to Koje might have a considerable affect on opinion.

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62. DEA/50069-J-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-1394 Washington, May 23, 1952

SECRET

MOVEMENT OF CANADIAN COMPANY TO KOJE

Reference: Your EX-1155 of May 22.

1. This message confirms my telephone conversations with Reid.

2. I discussed the question with Sir Christopher Steel[e] of the British Embassy this morning. He had not yet heard anything from London, but he fully shared the attitude of the Canadian Government and was sure that it would be completely supported by the British Government. He volunteered to speak on these lines at once to Matthews on his own responsibility.

3. Alexis Johnson, Deputy Assistant Secretary for Far Eastern Affairs, telephoned me shortly afterwards. He told me that forces from several other countries have served and are now serving on Koje, including the Dutch battalion and some small units attached to United States formations that are engaged in guarding prisoners of war. There are now some 14,000 United States troops on this duty. In the effort to rectify the situation on Koje, troops were being moved there from all over the theatre, including the United States airborne regiment from Japan. The matter was regarded here as purely a military question, within the authority of the United Nations Commander, and they were therefore loath to interfere from Washington.

4. After commenting that two companies from the Commonwealth Division could not make a great deal of difference in the outcome and presumably two

additional United States companies could be found, I vigorously challenged the argument that the matter was purely military. I said that the fact that the Canadian Government had made representations at the highest available level (in view of Mr. Acheson's departure for Europe) made it a political matter as well. I mentioned the traditional opposition of Canada to any break-up of its forces overseas without prior governmental consent and that the State Department would probably receive almost immediately similar representations from the British Government. I said there would be considerable irritation in Ottawa if the only answer to our representations was "non possumus". I also told him of the Reuters despatch in today's Canadian papers from Tokyo and said that questions in the Canadian House were likely this afternoon.

5. I concluded by saying that the matter could not be left without some further reply. I read him the statement of the Prime Minister's views included in paragraphs 4 and 6 of your EX-1135. He agreed to have further discussions in the State Department as soon as possible.

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63. DEA/50069-J-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis

Secretary of State for External Affairs
to Ambassador in United States

TELEGRAM EX-4168 Ottawa, May 23, 1952

SECRET. MOST IMMEDIATE.

MOVEMENT OF CANADIAN COMPANY TO KOJE ISLAND

Reference: Your telegram WA 1394, May 23.

I asked Mr. Bliss to come to see me and I put before him the considerations which you had put before the State Department. As you had expected, Mr. Bliss was receptive. He was impressed by the importance of the considerations which we had put forward. He agreed that the matter should not be considered as purely military.

2. I explained that the statement which had been drafted for use if necessary in the House of Commons had been deliberately put in language likely to cause the least embarrassment to the United States Government and arouse the least controversy in Canada. Mr. Bliss commented that our traditional desire to maintain our Force as an entity was one which was easily understandable by Americans in view of the line taken by General Pershing in the First War. Mr. Bliss said that he would immediately get in touch with Freeman Matthews in order to assist in ensuring that the matter was put before the Pentagon in a manner best calculated to secure sympathetic reception by the Pentagon. Ends.

64. DEA/50069-J-40

L'ambassadeur aux États-Unis
au secrétaire d'Etat aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-1409 Washington, May 24, 1952

SECRET. MOST IMMEDIATE.

MOVEMENT OF CANADIAN COMPANY TO KOJE ISLAND

Reference: Your EX-1168 of May 23.

1. As soon as I arrived at a reception late yesterday afternoon given by General and Mrs. Bradley for General and Mrs. Ridgway, Mr. Foster, Deputy Secretary of Defense, took me into a corner to discuss our representations against the movement of the Canadian Company. He expressed strong personal sympathy with the Canadian point of view, but said the matter had been considered carefully at the Pentagon yesterday afternoon and that the Joint Chiefs of Staff had discussed it at some length. He thought I had better hear the results from General Bradley.

2. General Bradley told us that the movement to Koje had advanced too far for it to be cancelled without causing grave military embarrassment. He understood that the units from the Commonwealth Division were en route and might indeed already have arrived. To cancel the movement at this stage would certainly be widely known and might well provide some fresh material for Communist propaganda, on the ground that it would be interpreted as showing a split in the common front. He referred to the presence on Koje of the Netherlands Battalion and some contingents from other U.N. forces. I gathered that either Far East Command or 8th Army Headquarters planned to reinforce the U.S. and South Korean guard troops on Koje with detachments from other U.N. units as a demonstration that there was a common front among the Allies and the settled determination to clean up the situation as soon as possible.

3. Foster, Bradley, and Lovett (with whom I later had a discussion) all spoke in the strongest language about the mishandling of the situation which had taken place and for which the U.S. forces were responsible. It was necessary to re-establish authority inside the stockades without any delay. It was also desirable to stiffen or replace South Korean guard troops because of their instability.

4. I said to them we now seemed to have arrived at a situation in which the military embarrassment of cancelling the movement of the Canadians had to be weighed against the political embarrassment in Canada of involving Canadian forces, and in consequence the Canadian Government, in participation in a situation for which they had no responsibility; it was evident that the move had important political undertones and should not be regarded as wholly a military matter. I feared that it might affect the close collaboration of

Canada in the Korean operation, which we all desired to maintain. Since, however, the highest military authority here and the Secretary of Defense thought it would be a grave embarrassment to change the orders, what I would do is to lay their views before the Canadian Government. I mentioned also the points that the Canadian Brigade had been sent to Korea for combat duty only and that the Canadian Government throughout the last war had steadfastly resisted the break-up of Canadian overseas forces without prior consultation. On the last point, Foster jokingly remarked that he was sure it could be arranged for the whole Canadian Brigade to move to Koje.

5. I think that we shall have to acquiesce without further protest. Lovett and Foster expressed the hope that we would not instruct the Canadian Commander to refuse to make the Canadian detachment available. I said that the Canadian Government had no intention of interfering with the military chain of command. The order for the movement was, in our view, unwise and politically embarrassing. What we had hoped was that instructions to withdraw it would be despatched from Washington. I said that a move of this nature should not take place without prior intergovernmental consultation. This might do something to prevent a repetition of the same sort of thing.

6. Bradley remarked that General Clark at present was mainly concerned with clearing up the situation in the prison camps and was determined to take at once what action was necessary and consistent with the Geneva Convention to establish proper authority in the camps. Foster referred to the demotion announced yesterday of Dodd[1] and Colson[2] and added that in his judgment this was a quite insufficient penalty. To judge from a brief word with Freeman Matthews, I think that I shall hear no more from the State Department about our representations, since the views of the Department of Defense have been put to me on the highest level.

Note: Sent to London as No. 1107

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[1] Le brigadier général Francis T. Dodd, commandant du camp de prisonniers de Koje-do de février à mai; relevé de ce commandement après cette date.
Brigadier General Francis T. Dodd, Commandant of Koje-do Prison Camp from February to May; thereupon relieved of command.

[2] Le brigadier général Charles F. Colson, chef d'état-major, corps d'armée I des États-Unis; il assuma le commandement du camp de prisonniers de Koje-do en mai; il fut relevé de ce commandement peu de temps après.
Brigadier General Charles F. Colson, Chief of Staff, United States I Corps; assumed command of Koje-do Prison Camp in May; relieved of command shortly thereafter.

65.

DEA/50069-J-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis

Secretary of State for External Affairs
to Ambassador in United States

TELEGRAM EX-1181 Ottawa, May 26, 1952

SECRET. MOST IMMEDIATE.

ASSIGNMENT OF CANADIAN TROOPS TO KOJE ISLAND

Please deliver the following message to the State Department. A statement along these lines will be made in the House of Commons this afternoon. Message begins:

The Canadian Government recognizes the importance of re-establishing and maintaining effective control over Communist prisoners of war captured in Korean operations. The Canadian Government also recognizes that custody of prisoners of war is a military responsibility which should be performed in accordance with military requirements.

It has, however, been a long established policy of the Canadian Government that Canadian forces despatched abroad for military operations should remain under Canadian command and control and that, except in the event of a military emergency which does not permit of time for consultation, no part of these forces should be detached therefrom except after consultation and with the agreement of the Canadian Government.

The Canadian Government therefore views with concern the despatch of a Company of the 25th Infantry Brigade to Koje Island without prior consultation with the Canadian Government, and hopes that it may be possible to reunite this Company with the rest of the Canadian Brigade as soon as possible. Meanwhile the Canadian forces concerned will, of course, carry out loyally the orders of the Unified Command with respect to participation in guarding prisoners of war on Koje Island. The Canadian Government also wishes to be reassured that, if it is proposed in the future to detach any Canadian forces from Canadian command and control for military or other duties, this will be done only after consultation and with the consent of the Canadian Government, except in the event of a military emergency which does not permit of time for such consultation. Message ends.

66. DEA/50069-J-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-1418 Washington, May 26, 1952

SECRET. IMMEDIATE.

ASSIGNMENT OF CANADIAN TROOPS TO KOJE

Reference: Your EX-1182[3] of May 26.

1. I delivered at 2:30 p.m. to Freeman Matthews and Alexis Johnson of the State Department copies of the draft of the statement which you made in the House of Commons this afternoon, under a letter saying that I expected to follow up shortly and in a formal manner the request for assurances at the end of the message. We are not likely to get a written reply unless this request is made in a note to the Secretary of State.

2. I have doubts whether we will get a satisfactory answer. The State Department must consult the Pentagon, and the Pentagon would almost certainly consult Far East Command before a reply is made. There is likely to be an involved argument about the boundary between purely military issues within the discretion of the Field Commander and issues in which the political element is clear enough to call for inter-governmental consultation before orders are issued.

3. I feel sure that the case for satisfactory assurances would be strengthened if the United Kingdom Government were to express a view to the State Department which is parallel to our own position. It appears from London telegram No. 1299† of today that their reaction to the movement of their forces to Koje is similar to ours.

4. If you wish me to make a formal issue of the question, I shall be glad to know how far you want me to go. Should it be limited to the central point in your statement? The statement given in EX-1181 deals only with our objection to the detachment without consultation of a part of our main force — an objection which in this instance could be met by sending the whole force to Koje. This statement, however, as you said on the telephone, was drafted in a deliberate effort to head off awkward questions in parliament which might be seriously embarrassing to the United States. If its substance is incorporated in a note to the Secretary of State, should not a more rounded statement of our objectives to the movement be included?

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[3] Probablement le télégramme EX-1181.
Probably telegram EX-1181.

67. DEA/50069-J-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis

Secretary of State for External Affairs
to Ambassador in United States

TELEGRAM EX-1193 Ottawa, May 27, 1952

SECRET. IMMEDIATE.

MOVEMENT OF CANADIAN COMPANY TO KOJE ISLAND

Reference: Your WA-1418 of May 26.[4] Koje.

If the only way by which we can get a reply to our representations is by a formal note, that, of course, will have to be sent to the State Department, if you have not already done so. However, we would be quite satisfied with an oral and less formal reply to the only request that we are making of the United States Government, namely, that contained in the last sentence of my statement in the House of Commons yesterday. Naturally we would like the reply to be in such a form that it could be made public. It certainly is not one that should cause difficulty or delay in Washington for it involves only the assurance that unless military emergencies make it necessary, our Brigade will not be broken up without consultation and agreement. In this connection you should point out that our force in Korea, unlike the forces of some of our United Nations allies, is a brigade group, or what I believe the Americans call a regimental combat team — in other words a self-contained military unit. Our request may be, as the press reports from Washington, "a tempest in a teapot" to United States officials, but it is of real importance to us because of the principle involved. It is also of no help to us to have an Eighth Army spokesman say that the proper procedure was observed when the Commonwealth General gave his consent to the move.

2. I think it important that we restrict our intervention, at least our formal intervention, to the question of the breaking up of the Brigade, and not confuse it with the other aspect of the Koje question which, though equally and possibly even more disturbing, is not one about which we have made any public statement or any formal representation to the United States. We are anxious here to avoid a discussion of this other aspect of the question, namely the wisdom of inserting troops of other nations than the United States into a situation which was created entirely by the United States and which, it might be thought, would have been dealt with by them. You will recall that a few days ago we asked for a copy of the report that General Clark was sending on the situation in Koje, a not unreasonable request in the circumstances. We have also made our concern over developments in Koje known in what was meant to be a friendly and constructive way. It seems an ironical return for this expression of interest to move a company of a Canadian Brigade to Koje. If the United States authorities felt that to re-unite the Brigade as soon as possible it was necessary to send the rest of the Canadian troops to Koje, the fat would

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[4] Le document 66./Document 66.

certainly be in the fire. I hope, however, that this possibility is not advanced seriously.

3. I fully appreciate the desirability of taking our stand in this matter on grounds which would appeal not only to the United Kingdom but perhaps also to other countries involved in United Nations action in Korea. These governments may be less concerned than we are over the question of the unity of their forces in Korea. They must, it seems to me, be equally concerned over the action of the United States military authorities in taking a political decision regarding the employment of allied units without prior consultation with the governments concerned. I think that the impression that you gathered from General Bradley's statement as reported in your WA-1409 of May 24 that the despatch of contingents from other United Nations forces was designed as "a demonstration that there was a common front among the allies" indicates clearly enough that the United States authorities themselves must realize that this was in the nature of a political or political warfare decision. The question of prior consultation with the governments concerned in such decisions clearly raises a principle which has most important implications both in the United Nations and in the NATO context. I do not suggest that this consideration should be put forward formally at this time to the State Department as we wish to avoid the delays indicated in paragraph 2 of your WA 1418 of May 26 which might arise out of an argument on the question of the borderline between military and political decisions. I think, however, that in discussing this matter with the State Department you should let them know that in our view this further and very important principle is involved.

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68. DEA/50069-J-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

DESPATCH 1241 Washington, May 28, 1952

SECRET

MOVEMENT OF CANADIAN TROOPS TO KOJE ISLAND

Reference: My messages WA-1436† and WA-1437† of May 28th, 1952.

I enclose two copies of the note addressed to the Acting Secretary of State which I left with Mr. Freeman Matthews, Deputy Under Secretary of State, this afternoon. The first paragraph of this note is identical with that in the draft included in WA-1427 of May 27th† and the second paragraph with the text given in paragraph 2 of your EX-1201 of May 28th.†

[PIÈCE JOINTE/ENCLOSURE]

DEA/50069-J-40

L'ambassadeur aux États-Unis
au secrétaire d'État par intérim des États-Unis

Ambassador in United States
to Acting Secretary of State of United States

No. 375 Washington, May 28, 1952

Sir:

I have the honour to refer to the statement made in the Canadian House of Commons on May 26th by the Honourable L.B. Pearson arising out of the transfer of a detachment from the 25th Canadian Infantry Brigade in Korea for duty guarding prisoners of war on Koje Island. A copy of Mr. Pearson's statement was transmitted to the Department of State shortly before the statement was made.†

The Canadian Government desires to receive assurances that if it is proposed in future to detach, for military or other duties, any Canadian ground forces in Korea from the 25th Canadian Infantry Brigade Group and its affiliated Services, this will be done only after consultation and with the consent of the Canadian Government, except in the event of a military emergency which does not permit of time for such consultation. I should be glad if you would take the necessary steps to secure from the Unified Command the assurances desired by the Canadian Government.

Accept, etc.

H.H. WRONG

69.

DEA/50069-J-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-1616 Washington, June 17, 1952

CONFIDENTIAL. MOST IMMEDIATE.

MOVEMENT OF CANADIAN COMPANY TO KOJE ISLAND

Reference: My telegram WA-1615 of June 17th.†

Following is the State Department's note of June 17th in reply to our note No. 375 of May 28th. Text begins:

Excellency:

I have the honor to acknowledge the receipt of your note No. 375, dated May 28, 1952, with reference to the transfer of a detachment from the 25th

Canadian Infantry Brigade in Korea for duty guarding prisoners of war on Koje Island. Your note expressed the desire of the Canadian Government to receive assurances that, if it is proposed in the future to detach any Canadian ground forces from this Brigade Group and its affiliated services, this will be done only after consultation and with the consent of the Canadian Government, except in the event of a military emergency which does not permit time for such consultation. It was also requested that the United States Government take the necessary steps to secure from the Unified Command the assurances sought by the Canadian Government.

The United States Government has given careful consideration to the attitude of the Canadian Government on this question as expressed in the note and also in the statement made by Mr. Pearson in Parliament, a copy of which was furnished to the Department of State shortly before its delivery. The United States Government has taken the matter up with the Commanding General of the United Nations Forces in Korea.

The Government of the United States is informed by the Commanding General that in the case of the transfer of the Canadian Rifle Company referred to, he explained personally to the Senior British Liaison Officer the proposed use of British Commonwealth troops, who in turn obtained concurrence of the Commander in Chief, British Commonwealth Forces. Prior to the issuance of the transfer order by the latter, the Commander of the Canadian Military Mission, Far East, was also informed. At the same time that the Canadian Company was transferred, a company of United Kingdom troops, a company of Greek troops and additional United States troops were similarly assigned to augment United Nations forces at Koje, which already included Netherlands, Republic of Korea, and of course, United States forces.

The Government of the United States, while appreciating the traditional policy of the Canadian Government that its forces despatched abroad for military operations should remain under Canadian command and control, must point out the implications of having injected into combined operations in the field the concept of governmental consultation and consent. This is the first occasion this type of problem has been raised by any government with forces in Korea serving under the Unified Command and the Government of the United States feels it necessary to point out the difficulties which could occur in combined operations if a commander should be required to take into account factors other than the direct military ones present when issuing a command for the deployment of his troops. If such practice should become widespread and one participating country or another should bring forward special conditions important to itself, it is not difficult to foresee the development of a situation which might so restrict the authority of the command as to threaten to jeopardize the success of our common struggle in Korea or of any combined operation. The Government of the United States is confident that the Canadian Government, for its part, will appreciate the importance of these considerations and also that circumstances may not always permit the Commanding General of the United Nations Forces in Korea to take into account special conditions affecting the service of several national contingents under its command.

Nevertheless, the United States Government appreciates the political importance attached by the Government of Canada to the maintenance of its forces as a unit and the public feeling in Canada underlying Canada's traditional position and, therefore, desires to meet the wishes of the Canadian Government in this matter insofar as practicable without endangering the United Nations military effort in Korea. Consequently, despite the concern expressed above, the United States Government states that while it may not in every instance be feasible or in the best interests of the United Nations Command as a whole, the United States Government will bear in mind the views of the Canadian Government and attempt to meet the desires of the Government of Canada.

Text ends.

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70. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa,] June 18, 1952

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KOREA; DESPATCH OF PART OF CANADIAN 25TH INFANTRY BRIGADE TO KOJE ISLAND

21. *The Secretary of State for External Affairs*, referring to discussion at the meeting of May 28th said a reply had now been received to the note of that day which the Canadian Ambassador at Washington had delivered to the U.S. Secretary of State and which sought assurances from the U.S. government that in future Canadian ground forces would not be detached from the 25th Brigade without prior consultation with the Canadian government except in the event of a military emergency which did not permit time for such consultation.

The U.S. reply, dated June 17th, was to a certain extent contradictory. The State Department was obviously desirous of meeting the Canadian request in so far as the exigencies of the military situation permitted, whereas the Department of Defence rather implied that military operations could not be carried out successfully in Korea if the Unified Command was placed under the obligation of securing the consent of the Canadian government before ordering a deployment of troops which entailed separating any part of the 25th Canadian Infantry Brigade from the main body.

22. *The Cabinet*, after discussion, noted the report by the Secretary of State for External Affairs on the United States reply to the Canadian note of May 28th, which sought assurances from the U.S. government that in future Canadian ground forces would not be detached from the 25th Canadian Infantry Brigade without prior consultation with and consent of the Canadian government except in the event of a military emergency which did not permit

time for such consultation, and agreed that he indicate the U.S. reply was more or less satisfactory, but that it should not be published *in extenso*.

J.W. PICKERSGILL

SECTION C

LE BOMBARDEMENT DES CENTRALES HYDRO-ÉLECTRIQUES DU YALU
BOMBING OF YALU POWER INSTALLATIONS

71. DEA/50069-A-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-1677 Washington, June 24, 1952

SECRET. IMMEDIATE.

BOMBING OF YALU POWER INSTALLATIONS

Reference: Wilgress-Ignatieff telephone conversations.

Addressed External WA-1677, repeated Permdel New York No. 235.

1. This question was raised at a meeting this morning at the British Embassy with Lord Alexander and Mr. Lloyd. The meeting was attended by Ambassadors of Commonwealth countries with forces in Korea.

2. None of those present had received an advance warning of the operation except Lord Alexander, who said it had been mentioned to him when he was talking to General Bradley yesterday. He thought that, although the plans for the operation had probably been prepared for a considerable period, the decision to launch the attack had been taken only a short time ahead. There had been no discussion of such an operation when he was in Japan and Korea. Bradley told him this morning that reports received today about the results were highly favourable. Lord Alexander thinks it likely, however, that much of the damage will probably be quickly repaired.

3. There was some discussion about whether this action was in accordance with agreed policy, with Spender in particular questioning its propriety without prior consultation. Lloyd was troubled about the effect on opinion in the United Kingdom, particularly as it took place when Alexander and he were in Washington; it would be assumed by many that they had been consulted and had given their assent either when they were here or when they were in the Far East.

4. I have not yet had time to check our records so as to form an opinion whether there was any understanding that consultation would take place before the installations were bombed. I believe, however, that, since the matter was last discussed a good many months ago, the circumstances, both military and political, have changed considerably. The installations are, of course, a

legitimate military target and the power they produce is certainly being employed for munitions making and other military purposes in both North Korea and Manchuria.

5. Confirming the information given by Ignatieff by telephone, the State Department's comments, as given by Alexis Johnson, are:

(a) That the State Department knew that the attack was going to take place, but did not tell any of the other governments concerned in Washington as they regarded the attack within existing policy, i.e., not to extend air attack of Korea with exceptions known to us;

(b) That the attack was based upon existing military directives, and

(c) That the attack was based upon purely military considerations and did not have any direct political implications. He admitted that it might have some political effects upon the discussions at Panmunjom, but these should be regarded as by-products.

6. It seems to me that Johnson under-emphasized the probable effect on the armistice negotiations. I think it likely that this attack at this particular juncture was intended to show the Communists how vulnerable they would be to retaliation if they sought to stage a massive air offensive; such a demonstration of air power might bring about a disposition to meet us on the issue of prisoners of war.

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72. DEA/50069-A-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis

Secretary of State for External Affairs
to Ambassador in United States

TELEGRAM EX-1411 Ottawa, June 25, 1952

SECRET. IMMEDIATE.

YALU BOMBING

Reference: Your telegram WA-1677 of June 24, 1952.

This is a very strange business and difficult to understand especially as Alexander and party were in Korea at the time these plans were being made and were told nothing about them. It seems to be an inadequate return for Alexander's friendly statements about United States operations in Korea. I note that the State Department thought that the Allied Military Missions in Japan were informed in advance of the bombings. The Minister of National Defence has just received a telegram from the Canadian Military Mission to the effect that neither General Bridgeford nor Connelly[5] were informed of the intention to bomb the hydro installations. I hope that we will not be asked to take too seriously the statement that there are no direct political implications in this operation.

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[5] Le brigadier général A.B. Connelly, commandant de la mission militaire du Canada à Tokyo.
Brigadier General A.B. Connelly, Commander of Canadian Military Mission in Tokyo.

73. DEA/50069-A-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-1697 Washington, June 25, 1952

SECRET

YALU BOMBING

Reference: Your EX-1411* of June 25th.

Addressed External WA-1697, repeated Permdel No. 240.

1. I mentioned this matter to Hickerson this afternoon before receiving your telegram. Hickerson said that there had been an intention to *inform* through military channels (I think in Washington) the British and perhaps two or three other governments, including ourselves, that the operation was to be undertaken. The operation, however, got under way in advance of expectations here and was actually going on when Bradley mentioned it to Alexander on Monday morning. While he agreed that there were political implications in the operation, he insisted — and they will stick to this story — that they were only incidental to its military purpose. He confirmed that none of the Allied military representatives in Tokyo had been warned.

2. Hickerson, who spent part of this morning with the Joint Chiefs of Staff, went on to emphasize the difficulties in the way of *consultation* with other governments before undertaking an operation like this. It was absolutely essential to maintain complete secrecy; if there had been the slightest warning, anti-aircraft guns, in the use of which the Chinese were showing great efficiency, would have been rushed to the power installations. It was quite impossible to let any government in whose security they did not have entire confidence know that the operation was planned. If governments whose security they trusted had been *consulted* in advance and an argument had developed over whether it should be undertaken, experience had shown that there was usually a leak before the argument was concluded.

3. There is a good deal of force in these views. I referred to the exchanges of last September as at least implying that a few trusted governments would be notified in advance. He said that he had not studied the records himself, but that Johnson had done so and had assured him that there was no commitment at that time on the part of the Unified Command.

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*Notre copie du document porte la note suivante:
The following was written on this copy of the document:
originated by Mr. Pearson.

4. He told me that Alexander and Lloyd had had a further discussion with United States officials, I think at the State Department, shortly before they left Washington at 2 p.m. yesterday. Alexander seemed quite unperturbed and remarked that the action was a very good show; this is the impression he gave me at the British Embassy earlier that day. Lloyd, however, had been deeply worried at the prospect of the political reaction in the United Kingdom, correctly anticipating the reaction of the Opposition.

5. We have learned from the Australian Embassy that they were told by the State Department on April 16th that notwithstanding the consultations of last September, the conclusion had been reached here that a strike against the power installations could be undertaken without governmental consultation. The State Department added that there was no intention at that time to take this action. The Australian Government apparently did not comment on this view, which was not communicated by the State Department to the British or ourselves. My last discussion of possible action against the power facilities was that reported in my WA-3571 of October 2nd, 1951.

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74. DEA/50069-A-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis

Secretary of State for External Affairs
to Ambassador in United States

TELEGRAM EX-1431 Ottawa, June 26, 1952

SECRET. IMPORTANT.

YALU BOMBING

Reference: Your WA-1697 of June 25.

We have noticed from a C.R.O. telegram that the State Department has apologized for the error in judgment in failing to appreciate the reaction of political opinion in allied countries. This evening's papers say that Mr. Acheson has made an apology in London.

2. This, together with the fact that the military authorities in the United States considered the question of the Yalu bombing sufficiently doubtful to have it cleared with the State Department and the President, would seem to us to make it impossible for the State Department to maintain any longer that the action was purely military and had no political implications.

3. You will have noted the inconsistencies between Mr. Lovett's public statement that he assumed that other United Nations members had been aware of the plan for the attack through their liasion officers, and the fact that those liaison officers had never been informed.

4. It does not seem to me that any useful purpose would be served at this time by public criticism or by formal representations to the State Department. I would be grateful however, when you next see Mr. Hickerson, if you would, in the light of the information set forth above, inform him that I trust that the

State Department now accepts the view that the political implications of the Yalu bombing were of sufficient importance to warrant consultation by the United States with its principal allies. You should go on to express our hope that there will be better procedures for consultations in the future so that a recurrence of this kind of thing can be avoided.

5. You might explain to Mr. Hickerson that we are especially interested in this matter at the present time since the CCF may arise this matter when the supplementary estimates of the Department come before the House.[7]

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75. DEA/50069-A-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-1712 Washington, June 27, 1952

SECRET. IMPORTANT.

YALU BOMBING AND INTER-ALLIED LIAISON ON KOREAN PROBLEMS

1. It is likely that one result of the Yalu affair will be that the British at least will improve their position for getting advance knowledge about what is being planned, perhaps by the appointment of a British Deputy Chief of Staff to General Clark. We have long been worried by the defects in our own liaison, especially in the case of actions which, from the military point of view, may be covered by existing agreed directives, but nevertheless have strong political implications. The Yalu bombing and the movement of Canadian troops to Koje are the two most recent examples.

2. In Washington, the regular meetings which have been held at the State Department since January, 1951, have for some time been only an occasion for giving out information on what has already taken place. The size of the meetings and the lack of confidence in the security of some governments represented makes this limitation a necessity. Furthermore, the presence of a Korean representative prevents discussion at these meetings of Korean internal problems.

3. Consultation about future plans takes place occasionally at small meetings summoned by the State Department, attended usually by representatives of the Commonwealth Governments with combat forces in Korea. Normally consultation is done on a bilateral basis, with the initiative taken by the Embassy concerned. Information also is sometimes volunteered by the State Department to individual Embassies. These procedures are ineffective for dealing with mixed military and political matters.

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[7] Note marginale:/Marginal note:
This was approved by Mr. Pearson before despatch. E[scott] R[eid]

4. I mentioned when in Ottawa last week that I thought that better means of contact on such matters might be developed in Tokyo rather than in Washington. How it could best be achieved I do not know, but it seems quite evident from recent experience that our methods of liaison with Clark's headquarters are unsatisfactory. No uniform system covering all governments which have contributed forces can be safely devised.

5. At this stage the British are making the running with the Americans, particularly taking advantage of the presence of Acheson in London. Perhaps we should now discuss the issues frankly with the British, expressing whatever doubts we may have about their securing an exclusive position.

6. I suggest improvements in Tokyo rather than in Washington for another reason. Here, when we discuss matters with the State Department, our observations, if they require discussion with Far East Command, must go from the State Department to the Pentagon and thence to Tokyo, a course during which they may well be annotated, distorted, or expunged. I have considered the possibility of proposing meetings with mixed State Department and Pentagon representatives, but I am sure that that would not work. Such an idea is distasteful to the Pentagon, and in any case there can scarcely be open discrimination in favour of the more trusted governments with forces in Korea.

7. An important question, which applies to the Yalu bombing and similar military operations with political aspects, is whether (provided they are not clearly outside existing directives) it is reasonable to ask for advance information or for prior consultation. As Acheson explained in London yesterday, it had been intended to give advance information on the Yalu operation to the British and perhaps others here, but only within a few hours of the operation itself. Hickerson held forth to me on Wednesday about the real risks involved if prior consultation were undertaken and also the difficulty of deciding what governments can safely be consulted. (See my WA-1697 of June 25th.)

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76. DEA/50069-A-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-1726 Washington, June 27, 1952

SECRET

YALU BOMBING

Reference: Your EX-1431 of June 26.

1. I discussed the contents of your message with Hickerson this afternoon. As to paragraph 2, he pointed out accurately that the State Department had never

maintained that the action was purely military and had no political implications. They have admitted that there were political implications, but have taken the position that these were incidental to the military purposes.

2. We had a lengthy discussion based on the observations in your paragraph 4 about the possible improvement of methods of consultation. You will have received my WA-1712 of this morning on this general subject. Hickerson went over at length all the difficulties in the way of determining "the principal allies" who might be consulted. As illustrations, he said that they had confidence in Turkey's internal security. But Turkish codes were vulnerable, and that French codes also were vulnerable and there were still doubts about French internal security. He agreed, of course, that the reaction, in Great Britain especially, to the Yalu bombing was unfortunate, particularly because of the presence of British Ministers in Washington at the time. The most that he thought could be done before an operation such as this was undertaken would be privately to inform the British and possibly a few other governments that the operation was about to take place, using a military channel; the military risks involved were too great to warrant an attempt to secure governmental approval from whatever governments could in the context be regarded as the principal allies.

3. He asked me whether I thought the British Cabinet would be in a happier position if they had in fact been either informed or consulted about the operation — a pertinent question. Would it have been easier for you to deal with the question asked in the House yesterday if you had been able to answer that the Canadian Government was consulted before the action took place?

4. This discussion confirmed me in the view expressed in my WA-1712 that we should go over these issues with the British to find out what they are aiming at, and should seek for approved arrangements in Tokyo as a possible means of improving contact. Hickerson incidentally mentioned that in talks with Alexander here about the possibility of appointing a British Deputy Chief of Staff to General Clark it had been made clear that in the United States view other Commonwealth countries should participate in some way in such an arrangement if it were adopted.

5. Hickerson gave me a number of illustrations of the difficulties which the State Department had faced when it had leaked out that information about the Korean situation had been given only to a selected few. The last instance was a vigorous complaint from the French Embassy based on a report, which was in fact untrue, that the British had been told in advance about the Yalu operation.

SECTION D

LIAISON AVEC LE COMMANDANT DES NATIONS UNIES À TOKYO
LIAISON WITH UNITED NATIONS COMMANDER IN TOKYO

77. DEA/50069-K-40

Le secrétaire d'État aux Affaires extérieures
au haut-commissaire au Royaume-Uni

Secretary of State for External Affairs
to High Commissioner in United Kingdom

TELEGRAM 1306 Ottawa, June 28, 1952

SECRET. IMMEDIATE

Following is text of telegram on command arrangements in Korea from the Commonwealth Relations Office to Earnscliffe, dated June 27, which was handed to us by the Acting High Commissioner yesterday with a request for a reply in time for the governmental statement in the House of Commons in London on July 1. Begins:

1) Mr. Acheson (at his meeting in London) has informed Foreign Secretary that United States Government have agreed to suggestion for appointment of a Deputy Chief of Staff for operations in Korea at General Clark's headquarters but would like this officer to "represent interests" of other Commonwealth Governments concerned as well.

2) We would greatly welcome an arrangement under which United Kingdom officer for this post would be a "Commonwealth" appointment and very much hope that Mr. Acheson's proposal will commend itself to other Commonwealth Governments with forces in Korea (Canada, Australia, New Zealand, South Africa and India). It should improve contacts between the Commonwealth and the United Nations Command on the purely military side and thus prove of value to our collective effort in Korea.

3) In debates in both Houses on lst July it is contemplated that Minister of Defence and Minister of State will make statements about their visit to Korea and we would wish to make appropriate announcement about Deputy Chief of Staff appointment then. Ends.

2. You may say to the United Kingdom authorities that for our part we would welcome the appointment of a United Kingdom officer as Deputy Chief of Staff to General Mark Clark and think that this may prove a very helpful development. It would certainly be useful from our point of view that this officer should bear in mind the interests of other Commonwealth countries with forces in Korea and we would appreciate an arrangement of this kind. For your own information, we have some doubts as to how far a Deputy Chief of Staff could go in representing Commonwealth interests. His first loyalty would, of course, have to be to General Mark Clark and through him to the United States Chiefs of Staff. In view of his position on General Clark's staff, he could not in practice, it seems to us, be a channel of communication to the

Commonwealth military liaison officers. Despite these inevitable limitations on his usefulness in improving our contacts with the United Nations Command, we can see advantage from our point of view in his appointment, particularly if an officer is chosen who possesses some sensitivity to political developments. Such an officer could no doubt call to General Clark's attention from time to time the necessity for consultation with authorities of Commonwealth countries on operational decisions having a political or semi-political content. In this connection we should like to see a copy of the directive if issued by the United Kingdom Government to the Deputy Chief of Staff.

3. With regard to the suggestion that this should be a "Commonwealth appointment" you should say to the United Kingdom authorities that we are quite a little puzzled by such a description of the nature of the appointment. In our view the appointment of a Deputy Chief of Staff to General Mark Clark would obviously be a United Nations appointment. The decision to appoint a Commonwealth officer to this post is surely one for the Unified Command. As already explained, we would welcome the appointment of a Commonwealth officer to the post but we feel that it should be made clear in any United Kingdom Government statement in the House of Commons that this appointment is made by the Unified Command on behalf of the United Nations.

4. You will recall that during the discussions relative to the formation of the First (Commonwealth) Division, the Canadian Government, while welcoming the formation of the Division, for operational purposes felt that it was essential that the title should be approved by the Unified Command. As reported in United Kingdom Army message from Kure, Japan, No. Z 8233 of April 29, 1951, "specific concurrence of Unified Command has been obtained 'First (Commonwealth) Division, United Nations forces.' " You may wish to draw this telegram to the attention of the United Kingdom authorities as precedent.

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78. DEA/50069-K-40

Le secrétaire d'État aux Affaires extérieures
au haut-commissaire au Royaume-Uni

Secretary of State for External Affairs
to High Commissioner in United Kingdom

TELEGRAM 1307 Ottawa, June 28, 1952

SECRET. IMMEDIATE.

Reference: My telegram No. 1306 of June 28.

The following is for your general guidance.

2. The Prime Minister feels you will no doubt have in mind the attitude we have maintained here about our participation in the Korean conflict. Canada recognized an obligation to the United Nations and wished to discharge that obligation directly and not by means of a contribution to a Commonwealth effort to discharge any joint Commonwealth obligation. The directive issued to

Brigadier Rockingham[8] instructed him to proceed to Korea with the 25th Canadian Infantry Brigade Group under his command for operations with the United Nations forces under the control of the Commander of such forces. Paragraph 7 of those directives was as follows:

"The principle of the separate entity of the Canadian Force, however, shall at all times be maintained. While the grouping of forces is a matter for the operational command to decide, it is anticipated that in the normal course of operations or other activities of the United Nations Forces, your tasks and undertaking will be so allotted or arranged, having regard to the size of the Canadian Force, that its Canadian entity will readily be preserved."

3. We are anxious to have this new development made and announced in such manner as not to conflict with this general attitude.

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79. DEA/50069-K-40

Le haut-commissaire au Royaume-Uni
au secrétaire d'État aux Affaires extérieures

High Commissioner in United Kingdom
to Secretary of State for External Affairs

TELEGRAM 1483 London, June 30, 1952

SECRET. IMMEDIATE.

Reference: Your telegrams Nos. 1306 and 1307 of June 28.

1. I spoke to Liesching[9] in the sense of your telegrams. He tells me that Mr. Churchill is likely to make the announcement about changes in the Korea command arrangements himself in the course of tomorrow's debate. CRO will endeavour to see that the language he uses takes into account the points made in your messages. They hope to get a draft back to you tonight through Earnscliffe.

2. All Commonwealth countries except India have concurred in arrangement proposed. Position of India will be safeguarded by limiting the reference in Mr. Churchill's statement to Commonwealth countries with combatant forces in Korea.

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[8] Le brigadier général J.M. Rockingham, Force spéciale de l'Armée canadienne (25^e brigade d'infanterie canadienne).
Brigadier General J.M. Rockingham, Canadian Army Special Force (25th Canadian Infantry Brigade).

[9] Sir Percivale Liesching, sous-secrétaire d'État aux Relations avec le Commonwealth.
Sir Percivale Liesching, Permanent Under-Secretary of State for Commonwealth Relations.

80. DEA/50069-K-40

Le secrétaire d'Etat aux Affaires extérieures
à l'ambassadeur aux États-Unis

Secretary of State for External Affairs
to Ambassador in United States

TELEGRAM EX-1523 Ottawa, July 10, 1952

SECRET

METHODS OF CONSULTATION AND LIAISON WITH UNITED NATIONS COMMANDER IN TOKYO

We are considering this problem in the light of the recent discussion in London between Mr. Acheson and Mr. Eden (see telegrams 1489 of June 30 and 1514 of July 3 from Canada House).†

2. In the meantime, I think that it would be desirable for you to explain informally the following to the State Department, at the earliest convenient opportunity.

3. The Canadian Government welcomes the appointment of a Commonwealth officer[10] as Deputy Chief of Staff to General Clark. We have no doubt that the State Department will agree with our view that the appointment is not a substitute for any existing obligations to consult, or for any existing methods of consultation and liaison with, the Canadian Government, on political or military matters relating to the prosecution of the war or the employment of the Canadian forces. We consider the appointment of the Deputy Chief of Staff as an additional device.

4. Probably the foregoing is well-understood by the State Department, the Pentagon and the United Nations Commander, but we wish to assist in avoiding any future misunderstanding by saying it to the State Department and through them to the Pentagon and General Clark.

5. If you see any objection to this course, I should be grateful for your views.

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[10] Plus tard ce texte est devenu :
This was later changed to:
an officer from a Commonwealth country.

81. DEA/50069-K-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-1822 Washington, July 11, 1952

SECRET

CONSULTATIONS ON MILITARY OPERATIONS IN KOREA

Reference: Your EX-1523 of July 10.

1. I have given the State Department the contents of paragraph 3 of your message in the form of an "oral message". In doing so I said that I was sure that it would cause no difficulties, but that we would like to be certain that our understanding of the effect on consultation of the appointment of a Commonwealth General as Deputy Chief of Staff to General Clark was shared by the State Department, the Pentagon, and General Clark.

2. Developments since June 27 have not led me to alter the views on the methods of consultation which I expressed in my messages WA-1712 and WA-1726 of that date,[11] except to give rise to doubts that a useful system can be established in Tokyo. I note from London telegrams 1514 of July 3,[†] 1499 of July 2,[†] and 1489 of June 30,[†] that the difficulties are clearly realized there in the way of establishing additional means of consultation which must, for security reasons, be restricted to a narrow selection from the governments with forces in Korea. We have received from the Australian Embassy a copy of a telegram on this subject dated July 5, which must also have been sent to you. The chief suggestions, that "United States-British Commonwealth consultative machinery" in Washington should be strengthened and that a political adviser to General Clark might transmit information through "ambassadors in Tokyo of a selection of countries providing forces in Korea", are of doubtful practicality. Such arrangements, unless kept wholly secret, would arouse strong protests from governments excluded from participation; if they were kept secret, the governments included in them would be precluded from using publicly any information received in this way in dealing with Parliamentary or other enquiries.

3. Probably we shall have to make do with existing methods of consultation. There are some indications that the rumpus over the Yalu bombing has increased the anxiety of the State Department to keep some governments, including ourselves, fully informed.

4. Something might also be done to make possible the provision in Tokyo of political advice to General Clark on a regular basis, such as by the appointment of an American adviser to his staff. It would, I think, be impossible to arrange that such advice should be given on a collective basis and that the

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[11] Voir les documents 75 and 76./See Documents 75 and 76.

ambassadors in Tokyo of certain countries should participate. A development of this sort nevertheless might be useful. In addition, the appointment of a British General as Deputy Chief of Staff should help to ensure that GHQ Tokyo in considering future operations will not look at plans wholly through American eyes.

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82. DEA/50069-K-40

Le haut-commissaire au Royaume-Uni
au Secrétaire d'État aux Affaires extérieures

High Commissioner in United Kingdom
to Secretary of State for External Affairs

TELEGRAM 1564 London, July 11, 1952

SECRET

METHODS OF CONSULTATION AND LIAISON WITH UNITED NATIONS COMMANDER IN TOKYO

Reference: Your telegram No. 1374 of July 10.[12]

I learned yesterday from Canadian Joint Staff, London, that the Ministry of Defence has prepared a draft letter of instruction for the new Deputy Chief of Staff to General Clark, which proposes *inter alia* that Commonwealth liaison officers now accredited to the United Nations Commander-in-Chief should henceforward maintain liaison with his Deputy Chief of Staff. In the circumstances I thought it advisable to speak to the Commonwealth Relations Office in the sense of the message you have asked our Ambassador in Washington to convey to the Department of State on this subject.

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83. DEA/50069-K-40

Le secrétaire d'État aux Affaires extérieures
au haut-commissaire au Royaume-Uni

Secretary of State for External Affairs
to High Commissioner in United Kingdom

TELEGRAM 1409 Ottawa, July 15, 1952

SECRET

METHODS OF CONSULTATION AND LIAISON WITH UNITED NATIONS COMMANDER IN TOKYO

Reference: Your telegram 1564 of July 11.

Following from Under-Secretary, Begins:

1. No doubt you will be kept informed by Canadian Joint Staff and by Commonwealth Relations Office of developments. In this Department we are

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[12] Voir le document 80./See Document 80.

puzzled by the fact that the United Kingdom Ministry of Defence is drafting a "letter of instruction" for the new Deputy Chief of Staff. If, as we understood, this officer is to be the subordinate of General Clark, will he get official instructions from the United Kingdom Government?

2. Could you, without at the moment expressing any opinion on behalf of the Canadian Government, ascertain the nature and purpose of the proposed document? We trust that the Canadian Government will have an adequate opportunity to offer comments on the draft before it is issued by the United Kingdom Government or passed by them to the Unified Command.

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84. DEA/50069-K-40

Le haut-commissaire au Royaume-Uni
au secrétaire d'État aux Affaires extérieures

High Commissioner in United Kingdom
to Secretary of State for External Affairs

TELEGRAM 1609 London, July 18, 1952

SECRET

CONSULTATION AND LIAISON WITH UNITED NATIONS COMMANDER IN TOKYO

Reference: Your telegram No. 1409 of July 15.

I had already reminded General Bishop of the CRO of your desire to see whatever directive or terms of reference might be drawn up for the new Deputy Chief of Staff. Bishop has assured us of their intention to clear with other Commonwealth Governments and to do so before discussion in Washington. Bishop has been sitting in on Chiefs of Staff discussions and this procedure is well understood in service quarters concerned.

2. Bishop added that the problem was extremely difficult, especially in view of the need to safeguard existing channels and to preserve existing obligations to consult, as you also had pointed out.

3. We sounded out Bishop today on the progress being made with the draft instructions. He indicated that yesterday, July 16, the Cabinet Defence Committee had considered a Chiefs of Staff paper. He was as yet not informed of the outcome as he was still waiting to receive the necessary record. He reiterated that our interest in the matter was being kept in mind and that his Secretary of State had been acquainted with the position set out in paragraph 3 of your telegram No. 1374 of July 10.

4. I think there can be no doubt that the document under consideration includes a set of draft instructions which embody an attempt on the part of the United Kingdom authorities, as the prime movers in this matter, to reconcile the need to safeguard existing arrangements vis-à-vis the Americans with the compulsion to implement somehow or other the public announcement of July 1. In view of the clear intention to discuss the detailed proposals with other Commonwealth Governments and with the United States Government, it may

be premature to assume that the final product is intended to be an instruction issuing from the United Kingdom Government.

85. DEA/50069-K-40

Le haut-commissaire au Royaume-Uni
au Secrétaire d'État aux Affaires extérieures

High Commissioner in United Kingdom
to Secretary of State for External Affairs

TELEGRAM 1645 London, July 23, 1952

SECRET. IMMEDIATE.

APPOINTMENT OF DEPUTY CHIEF OF STAFF, KOREA

Reference: CRO telegrams Y-No. 298,[†] Y-No. 299[†] and Y-No. 300 of July 22.[†]

Although we have been keeping in touch with United Kingdom authorities, we had received no previous indication that the United Kingdom proposals would be put to us with such urgency. The matter has evidently caused some difficulty for the United Kingdom authorities and I learned yesterday from Foreign Office and defence sources that Mr. Churchill would gladly have dropped it but for the impossibility of presenting such a decision to Parliament.

2. The directive set out in Y-No. 300 seems intended as a directive from the British Chiefs of Staff agreed with the Chiefs of Staff of the other Commonwealth governments concerned. That is obviously the form in which United Kingdom planners would first prepare the text but you may have wished to have some explanation of why it is being circulated in that form not only to us but to the Unified Command. My present information is that the United Kingdom authorities for their part feel that it is essential to leave the appointed officer in no doubt about his responsibility and about the channels of communication. Perhaps at this stage I should not enquire further without hearing from you.

3. As regards channels of communication in particular, you may not be entirely convinced that the establishment of separate United Kingdom liaison machinery in Tokyo is unrelated to the appointment of a British Deputy Chief of Staff. Since the draft directive allows for the transmission of information by this deputy on the authority (perhaps the word "instruction" might be better) of the United Nations Commander, the deputy would no doubt have to pass the information through the Tokyo-to-Canberra link unless separate United Kingdom liaison was established. This may also pose the further question whether the British Deputy Chief of Staff must or should discriminate between the several Commonwealth liaison channels in Tokyo when passing on information in such circumstances.

86. DEA/50069-K-40

Le secrétaire d'État aux Affaires extérieures
au haut-commissaire au Royaume-Uni

Secretary of State for External Affairs
to High Commissioner in United Kingdom

TELEGRAM 1471 Ottawa, July 24, 1952

SECRET. IMMEDIATE.

APPOINTMENT OF DEPUTY CHIEF OF STAFF, KOREA

Reference: You tel. 1645 of July 23.

Following from Acting Under-Secretary, Begins:

1. As the Acting United Kingdom High Commissioner had not received a reply from London to our request for delay, we told him today that the Prime Minister's views were as follows:

"We adhere completely to the views previously expressed regarding the Deputy Chief of Staff to General Clark in Tokyo. (See our telegram 1306 of June 28.)[13] We feel that the statement should make it clear that the appointment of the Deputy is being made by the United Nations Commander or the Unified Command and we also feel that a simultaneous statement should be issued by either the Unified Command or the United Nations Commander."

2. The Prime Minister would like you to give these views immediately to the United Kingdom Government. You might suggest the following new paragraph for insertion in the draft statement:

"The actual appointment is being made by the United Nations Commander, General Clark, under the authority vested in him by the Unified Command of the United Nations."

3. The draft statement is acceptable subject to the above. If United Kingdom Government agrees on the need for a simultaneous announcement of the appointment by the Unified Command or the United Nations Commander (probably the latter), we assume that the United Kingdom will put this point to the United States Government.

4. General Foulkes sees no objection to the draft "directive" to be issued to General Shoosmith by the United Kingdom Chiefs of Staff.

5. We trust that the United Kingdom authorities will inform you (perhaps through CJS) of the changes contemplated in the United Kingdom military liaison machinery in Tokyo, in view of the possibility that those changes may affect Canada.

6. If anything further should be proposed requiring Canadian concurrence, it would be appreciated if a reasonable time-limit could be allowed. Unless you see an objection to doing so, would you please explain this point to the Commonwealth Relations Office.

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[13] Le document 77./Document 77.

87. DEA/50069-A-40

Le haut-commissaire au Royaume-Uni
au secrétaire d'État aux Affaires extérieures

High Commissioner in United Kingdom
to Secretary of State for External Affairs

TELEGRAM 1658 London, July 25, 1952

SECRET. IMMEDIATE.

APPOINTMENT OF DEPUTY CHIEF OF STAFF, KOREA

Reference: Your telegram 1471 of July 24.

United Kingdom Government is acting on the Canadian suggestions received from Earnscliffe. In the draft parliamentary statement the appointment will be described as being made by the United Nations Commander though they are not spelling this out as fully as suggested in your paragraph 2.[14] The Foreign Office is telegraphing Washington this morning suggesting a simultaneous announcement by Unified Command.

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[14] Pour le texte final voir :/For final text see:
Great Britain, House of Commons, *Debates*, Fifth series, Volume 504, pp. 1099-1100.

2ᵉ PARTIE/PART 2

NÉGOCIATIONS EN VUE DE L'ARMISTICE
ARMISTICE NEGOTIATIONS

88. DEA/50069-A-40

Note du secrétaire d'État aux Affaires extérieures pour le premier ministre

Memorandum from Secretary of State for External Affairs to Prime Minister

TOP SECRET [Ottawa,] January 11, 1952

KOREA

Present State of Armistice Discussions[15]

The discussions on Item 3 of the armistice agenda[16] (arrangements for supervision) are at present deadlocked over the question of freedom for the Communists to rehabilitate airfields anywhere in North Korea and to extend their runways. The United Nations Command is willing to allow rehabilitation of specified airfields for civilian use but not to allow unrestricted rehabilitation or the lengthening of runways anywhere. The Communist negotiators have termed this intolerable interference in the internal affairs of North Korea. The atmosphere at the talks has been such that the United Nations Command is not prepared to make any concessions on this point for the time being, although it may make them when the atmosphere improves. Agreement on a warning declaration to be issued after an armistice is concluded will make concessions less difficult. The United Nations Command is also not satisfied with Communist attempts to prohibit replacement of material and supplies used up for training during the armistice.

2. Discussion on Item 4 (prisoners of war) is also deadlocked, the Communists being unwilling to agree that prisoners of war should be free to elect whether they will be exchanged or not. They are also unwilling to entertain a suggestion that prisoners be exchanged one-for-one until all prisoners in Communist hands have been released, even though the United Nations would be willing, after this exchange, to release the balance of prisoners they hold.

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[15] Notre copie du document a été paraphée :
This copy of the document is initialled:
L.S.L. [Louis St. Laurent]

[16] Les questions à l'ordre du jour de l'armistice étaient : 1. adoption de l'ordre du jour; 2. établissement d'une ligne de démarcation militaire et d'une zone démilitarisée; 3. mesures pour la surveillance du cessez-le-feu et de l'armistice; 4. mesures concernant les prisonniers de guerre; 5. recommandations aux gouvernements concernés des deux côtés.
The armistice agenda items were: 1. adoption of the agenda; 2. establishment of a military demarcation line and demilitarized zone; 3. arrangements for supervision of the cease fire and armistice; 4. arrangements concerning prisoners of war; 5. recommendations to the governments concerned on both sides.

The Communists are further opposed to discussion of the release of civilian internees along with the exchange of prisoners of war.

3. Item 5 (recommendations to the governments concerned on both sides) has not been touched. It is expected that under this item the Communist negotiators may give some indication of the sort of political settlement they expect to flow from any post-armistice discussions.

4. The agreement on a specific military demarcation line having expired on December 27th, it will be necessary immediately before signature of the armistice to define a new line. The basis of the new line has already been agreed: it is that the line should, by and large, follow the line of contact immediately before the signature of the armistice.

5. A recent United Kingdom estimate, which is believed to be in Mr. Churchill's possession, expresses the opinion that the Communists will agree to an armistice in Korea only on terms which will give them a strong bargaining position for the future. It is our view that they may well be content with an armistice which restores the *status quo ante bellum* with the intention of profiting by the armistice to subvert the government of South Korea and win over that country to communism.

The Warning Declaration

6. On the initiative of the United States, agreement has been reached among most of the governments with fighting forces in Korea to issue a declaration, the operative sentences in which would be the following:

> We affirm, in the interests of world peace, that if there is a renewal of the armed attack, challenging again the principles of the United Nations, we should again be united and prompt to resist. The consequences of such a breach of the armistice would be so grave that, in all probability, it would not be possible to confine hostilities within the frontiers of Korea.

7. The purpose of this declaration is to make it possible for General Ridgway to make more concessions to meet Communist reluctance to agree to adequate conditions for supervising the armistice. General Ridgway, it is argued, would feel free to accept greater risks if he knew that the enemy would be warned that a breach of faith would have such serious consequences. There has been some discussion about the time at which this warning declaration should be issued. The original plan, to which all the countries consulted have so far subscribed, is that it should be issued immediately after the signing of the armistice. The United Kingdom Embassy in Washington is known to have suggested to the Foreign Office that it should instead be issued only if it appears that the armistice is not likely to be loyally observed, but we have no evidence that this suggestion has been taken up by the United Kingdom or any other government.

Post-Armistice Negotiations

8. In discussions of the means by which a political settlement should be reached after the armistice has become effective, it seems to be generally agreed that that settlement will have to be attempted through the United

Nations, and that the General Assembly is the organ which should be responsible for constructing the machinery to bring the settlement about. Beyond this, however, the picture is not clear. We understand that the United States is willing to negotiate in good faith to try to obtain a political settlement in Korea although we also understand that it is unwilling to negotiate directly with the Central People's Government of China as an interested party. The United Kingdom, on the other hand, seems to think that the United States can be persuaded to enter into direct negotiations with the Central People's Government.

The Nature of the Settlement

9. There has been little or no discussion of what sort of political settlement might be reached in Korea. It appears to be generally assumed that the ultimate aim of the United Nations is, and must remain, a united, independent and democratic Korea. Whether the United States and the United Kingdom are willing to accept a political settlement growing out of the post-armistice negotiations which may result in a divided Korea for some years to come is not yet clear. As this seems to be the most that the Communists will concede, it is probably necessary to realize that if they will not accept such an arrangement, there can be no political settlement of the Korean war in the foreseeable future. The need for armed forces in other parts of the world would make such an outcome highly undesirable.

L.B. PEARSON

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89. DEA/50069-A-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis

Secretary of State for External Affairs
to Ambassador in United States

TELEGRAM EX-314 Ottawa, February 7, 1952

SECRET. IMPORTANT.

Following from Under-Secretary.

1. Before leaving Ottawa the Minister asked me to inform you that he would be grateful if you could, if possible before the Secretary of State leaves for Europe, have a general informal discussion at a high level in the State Department concerning the political problems with which we are now, or may soon be, faced in Korea.

Breakdown In The Armistice Negotiations

2. The Minister has been concerned by the suggestion in some United States publications that a breakdown in the armistice negotiations would create a crisis and that as a result of this crisis there might arise a demand in the United States for an extension or intensification of the war in Korea.

3. If there is danger that a breakdown in the armistice negotiations might lead to such a demand, then he suggests that it would be the course of wisdom for our side to use its best efforts to avoid a formal breakdown, even if it becomes clear to both sides that further meetings of the armistice negotiators are likely to have no positive result. This could be done by a willingness on our side to accept an almost indefinite prolongation of the negotiations, accompanied perhaps by brief and infrequent meetings.

4. In any event, whether there is a formal breakdown of negotiations or whether the negotiations should drag along indefinitely, he is of the opinion that we should not, on our side, consider a failure of the negotiations as constituting a reason for extending or intensifying the military operations. You will recall that a year or so ago it was quite generally considered that a *de facto* cease fire in Korea might be the best immediate outcome of the war which we could hope for. At present we have what amounts to a virtual *de facto* cease fire on land which both sides appear to be willing to accept. If we cannot succeed in turning the *de facto* cease fire on land into a *de jure* armistice, then the Minister suggests that our interests would be served by continuing the *de facto* cease fire on land and perhaps even testing whether the *de facto* cease fire on land might not gradually be extended to the air. The extension to the air would, of course, depend on the enemy showing himself willing in practice to give a *quid pro quo* by desisting from some of his activities which are disadvantageous to us.

5. The Minister believes that there are relatively few people in most of the Western countries who would consider that a breakdown in the armistice negotiations which did not result from a mass aggressive attack by the enemy would justify the United Nations taking any initiative to extend or intensify the war.

Secret Approach to the Soviet Union

6. In his message to you No. EX-68 of January 9[†] you will recall that the Minister welcomed the statement in your WA-4285 of December 22[†] that it was thought not unlikely in the State Department that the "Soviet Government will be sounded out on the possible terms of settlement in Korea and on the procedures." He went on to request you to tell the State Department that it seemed to him important that, once an armistice had been agreed on, secret soundings be taken of the Russians to find out if it was possible to reach agreement with them on the resolutions to be put before the Security Council and the General Assembly setting up the machinery for an armistice settlement. You reported in your telegram WA-121 of January 12[†] that you had not been able to take this matter up at a high level. The Minister thinks it would be useful if you were now to raise the question at a high level.

7. In your discussions with the State Department on this aspect of the problem you might indicate that on further reflection the Minister is not convinced that the sounding out of the Russians on the resolutions to be put before the U.N. creating a U.N. negotiating commission need await the conclusion of an armistice and that in fact it seems to him that the Russian

desire for an armistice might be increased if the Russians were informed that, in the event of an armistice, the United States would be prepared to support in the United Nations, provided that Russia was also willing to give its support, a resolution which would do little more than establish a commission to negotiate with all interested governments and authorities a political settlement in Korea for submission to the General Assembly for approval.

Objectives of a Political Settlement in Korea

8. There has been a good deal of discussion among the United States, the United Kingdom, ourselves and some other countries of the machinery which might be set up following an armistice to negotiate a political settlement in Korea. There does not appear to have been very much discussion of the kind of political settlement in Korea which we want or would be willing to accept. Indeed, it seems to be generally assumed that our objective in the negotiations should be a "unified, independent and democratic" Korea though we might have to be satisfied with a divided Korea.

9. It seems to the Minister that the time has come when we should re-examine this question in an effort to decide whether in fact the achievement of the objective of a "unified, independent and democratic" Korea at this time would be more in our interests than the restoration of the *status quo ante bellum* with the frontier moved from the parallel to the armistice line.

10. This is obviously not an easy problem. It is possible that the assessment of where our interests lie depends mainly on two considerations. The first is whether the chances of the Communists getting control by peaceful means of the whole of Korea would be increased or diminished by the creation of a "unified, independent and democratic" Korea. The second is the importance which we attach to preventing or delaying such a development and the cost which the Western world is willing to pay in an attempt to prevent or delay it in terms of such things as guarantees against external aggression and economic assistance. It can be argued that a unified Korea would before long become a satellite of the Communists without any act of aggression by either China or the Soviet Union.

11. Mr. Pearson would be glad to know the views of the State Department on these questions.

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90. DEA/50069-A-40

Extrait du télégramme du secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis

Extract from Telegram from Secretary of State for External Affairs
to Ambassador in United States

TELEGRAM EX-317 Ottawa, February 7, 1952

SECRET. IMPORTANT.

Following from Under-Secretary,

1. The Minister, before he left, asked me to send you this message about the issue of prisoners of war in the Korean Armistice negotiations.

2. From the telegrams which we have received on the armistice negotiations, it seems clear that the stumbling block to an agreement may well be the conflict between the United Nations demand for voluntary repatriation of prisoners and the Communist demand for unconditional release and repatriation of prisoners.

3. We appreciate the very strong arguments in favour of the United Nations demand for the voluntary repatriation of prisoners. There would certainly be strong protests in this country against returning to the North Korean or Chinese authorities prisoners of war whom we hold and who do not want to be returned because of their opposition to those communist regimes. We also appreciate the strong desire of the United States that steps be taken to get American prisoners of war repatriated as soon as possible.

4. The issue is further complicated in our opinion by the question whether it is in the interest of the Western World to establish in Korea the precedent that prisoners of war have the right to waive their right to repatriation. If this precedent is established by the Korean Armistice, the Soviet Union might in the event of a general war contend that any prisoners of war whom they hold had the right at any time during hostilities to request release from prison camp in lieu of eventual repatriation, and, having been released from camp, to enlist in the armed forces of Russia. The position of Allied prisoners of war in Soviet hands would be difficult enough in any event. We would not want to make it more difficult by putting them in a position where the Soviet Government could, with some outward show of legality, intimidate them into waiving their right to repatriation and into enlisting in the Soviet army. Clearly the prime difficulty in dealing with the Russians would be to ensure that our prisoners were not intimidated into "voluntarily" requesting not to be repatriated. Intimidation could take many forms.

5. One of the principles of the Geneva (Prisoners of War) Convention of August 12, 1949, is the unconditional release and repatriation of prisoners. See Articles 7 and 118 of the Convention. Presumably, the Western Powers had this principle embodied in the Convention because they considered that it would serve their interests in a general war. The United Nations proposal for the voluntary repatriation of prisoners of war is, in the opinion of our Legal Division, contrary to these Articles.

6. Most of the countries which have forces in Korea have not yet ratified this Convention and the Communist forces in Korea have not lived up to it. Our countries have, however, devoted considerable efforts to trying to conclude the Geneva (Red Cross) Humanitarian Conventions with the Soviet Union in the hope that if these Conventions are in force during a general war, they will at least do something to render less likely harsh and arbitrary treatment by the Russians of our prisoners. Our countries, therefore, have an interest in preserving the principles of these Conventions.

7. The Minister would be grateful if you would discuss this very difficult matter with the State Department. He does not want to give the impression that we are raising this matter because we believe that the United Nations should now withdraw its demand for the voluntary repatriation of prisoners. He is, however, concerned that the acceptance by the Communists of this demand might create a dangerous precedent and that in an effort to be humane to anti-Communist Korean and Chinese prisoners whom we hold, we may be making more likely inhumane treatment in future of prisoners of war held by the Russians. The Minister appreciates the extraordinary difficulty and delicacy of this problem and the gravity of any decision which is reached.

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91. DEA/50069-A-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-380 Washington, February 7, 1952

SECRET. IMPORTANT.

PROSPECTS OF A KOREAN ARMISTICE

1. I had a long talk with Hickerson yesterday afternoon in order to review the general situation. This did not throw much new light on it. I asked him about the Communist proposals under Item 5 of the agenda which are reported in yesterday's press despatches. He said that these were acceptable to the State Department (including the recommendation for a political conference within 90 days after the armistice) subject to a revision of the third point. The Joint Chiefs of Staff, who issue the instructions to Ridgway, have been informed that the State Department would accept this point if it is worded to read "other Korean questions related to peace" instead of "other questions related to peace in Korea". The purpose of this change is to exclude at the next stage the introduction of Far Eastern issues not directly related to a settlement in Korea.

2. In Hickerson's judgment the main sticking point concerns the repatriation of prisoners of war. Provided agreement is reached on this, Ridgway is authorized to make concessions on the problem of airfield construction during the armistice. It seems unlikely that the Communists will accept the principle of voluntary repatriation. I made the personal suggestion that a distinction might be made between Chinese prisoners who had entered Korea as members of a foreign military force and Korean prisoners who were willing or unwilling participants in a civil war. I said I thought it would be hard to accept repatriation of all the Koreans, but wondered whether we might find justifiable grounds for returning all Chinese prisoners. This matter is under active consideration here and any views which the Canadian Government may wish to express would be welcome. It presents difficult moral issues, and I am far from

certain that the Unified Command can decently agree to the compulsory repatriation of all the Chinese.

3. Hickerson expressed confidence that the other points in dispute, including the rate of rotation of troops, could be settled in time. The recent meetings have given some grounds for belief that the Communists really desire an armistice, but he does not rate the chances to be much better than even.

4. I then asked him whether the possibility of an indefinite prolongation of the armistice negotiations was in their minds here. He said that Ridgway's instructions still stood to the effect that the United Nations side was not to be responsible for a breakdown. If the negotiations dragged on for several months, what might amount almost to a *de facto* cease-fire for the ground forces was a possible development, although air and naval action would have to continue.

5. Their plans for the issuance of the warning declaration have not changed, i.e., they consider that signature of it by the Ambassadors of countries concerned here should take place almost simultaneously with the signature of the armistice, and that it should at once be transmitted to the Secretary General. He described the British proposal that the transmission should take place under cover of separate but identical notes as a matter of no real importance.

6. Their plans for post-armistice action in the United Nations are also as previously reported. He said that the State Department did not rule out private discussions with the Russians before the Assembly would be convened to deal with Korean issues, but they would object to such discussions taking place in advance of the signature of an armistice. They continue to prefer their draft of a resolution for the Assembly, but recognize, of course, that it is open to change in negotiation with other governments.

7. We then discussed possible courses of action if the Communists break off the negotiations or in the more extreme circumstances of a flagrant breach of an armistice. There seems to be no change in their thinking in the latter case that bombing of Chinese targets and a naval blockade of the Chinese coast ought to be undertaken. In the former case he agreed with my observation that a resumption of heavy ground fighting would lead to a strong popular demand on the Administration for some sort of direct action against China. In either case he undertook that there would be consultation with the other governments with forces in Korea (except for the reservation previously made of vital danger to the security of the forces and a breakdown in communications with the Far East). He could not, however, *promise* that the consent of these governments would have to be obtained.

8. I asked him whether he knew of any changes in the military appreciation of the position of the United Nations forces which might qualify the great confidence expressed by General Bradley and others. He said that he was not aware of any alteration of the opinion that the United Nations forces were capable of withstanding, without disaster or serious loss of ground, a heavy offensive by the Communists. It seems apparent, on the other hand, that a major United Nations offensive on the ground no longer is considered a

practical possibility. Hickerson remarked that the State Department in its discussions with the Pentagon have long maintained that a cessation of active ground fighting might occur without the conclusion of an armistice; until fairly recently the military authorities had differed because of the necessity in their view of maintaining heavy pressure on the Communist forces; recent experience in the field, however, had led them to revise this military estimate.

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92. DEA/50069-A-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-388 Washington, February 8, 1952

SECRET

Following for the Under-Secretary, Begins:

1. Your messages EX-314 and EX-317 of February 7th on Korean problems crossed my WA-380 of the same day, in which I reported on a discussion with Hickerson on February 6th. Since in this discussion I raised nearly all the points covered in your messages, I think it best to await your comments before going to the State Department again.

2. On the prisoners-of-war issue, I should like some views on the personal suggestion that I made to Hickerson that a distinction in respect of repatriation might be made between Chinese and North Korean prisoners.

3. There is undoubtedly a real risk, if the armistice negotiations break down, that a strong popular demand will arise for some further measures designed to end the war in Korea by military action. A Southern Democrat of no particular importance yesterday introduced a resolution in Congress recommending that in such a case the President should authorize the use of atomic weapons. This possibility was not mentioned in my talk with Hickerson, but I expressed to him grave doubt that other countries with forces in Korea would agree to an extension of the war in such circumstances to Chinese Communist territory. He remarked that it would still be a limited war against China in that there was no intention to use ground forces outside Korea, but he did not disagree when I said that nevertheless a state of war with the Peking Government would exist in such a case without any juridical qualifications and that any limitations on operations would arise solely from military considerations. I also implied that the United States might find itself isolated in such circumstances. A further point which I did not make is that in such an event, governments with forces in Korea might find difficulty in leaving their forces there if the Korean war was expanded into war with China. This is not a matter on which any government can take a definite line at this stage, and I think that all one can do is to seek to ensure that the possible consequences are realized here. I might seek a further discussion, perhaps with Hickerson and either Allison or Johnson of the Bureau

of Far Eastern Affairs, sometime next week, when I have received your further comments.

4. I assume that the Chief of the General Staff will be making a report on his recent visit to Korea. It would be helpful to me if I could receive soon his general views on the military situation.

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93. DEA/50069-A-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis

Secretary of State for External Affairs
to Ambassador in United States

TELEGRAM EX-329 Ottawa, February 9, 1952

SECRET. IMPORTANT.

KOREAN PROBLEMS

Reference: Your WA 388 of February 8

Following from Under-Secretary, Begins: We were most interested in receiving your report of your discussions with Hickerson. I should like, if at all possible, to cable the Minister early next week as full a report as possible of the views of the State Department on the questions raised in our two messages EX 314 and 317[17] of February 7. If you have an opportunity of talking with Mr. Acheson himself so much the better; otherwise I suppose Hickerson and Allison would be appropriate. You will know best about this bearing in mind that we want to be as sure as possible of getting the State Department's considered views to Mr. Pearson on the points he raises.

2. You have already touched on some of the points in question in your conversation with Hickerson. Nevertheless, you will no doubt wish to go over this again since you are now in a position to express the Minister's views as set forth in my two telegrams of February 7.

3. So far as the issue of prisoners of war is concerned, it seems from this distance probable that it will not be possible to get an armistice in Korea unless both sides are willing to compromise on the issue of voluntary versus unconditional repatriation. The formula you suggest has the merit that it provides a possible basis for a compromise. Your formula could, however, be criticized on the ground that the Chinese as well as the Korean prisoners were "willing or unwilling participants in a civil war."

4. Frankly we have not thought of any satisfactory possible compromise on this exceedingly difficult issue of prisoners of war. As you have seen from our telegram No. EX 317, however, Mr. Pearson wanted to be sure that the United States was weighing carefully all the considerations involved, in particular the relationship of the settlement of the issue in Korea to Russian treatment of our prisoners in the event of a major war.

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[17] Les documents 89 et 90./Documents 89 and 90.

5. The editorial on Korea in *The Manchester Guardian Weekly* for January 31 is relevant. You might have a look at it before you see the State Department again.

6. It would be helpful to us in reporting to the Minister in London if your telegram reporting on the State Department's views covered each of the points raised in my two messages EX 314 and EX 317.

7. We shall send you as soon as possible the views on the military situation of the Chief of the General Staff. Ends.

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94. DEA/50069-A-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-441 Washington, February 14, 1952

SECRET. IMMEDIATE.

KOREAN PROBLEMS

1. Yesterday afternoon I discussed with Hickerson and Allison the subjects covered in your messages EX-314 and EX-317 of February 7th, and EX-329 of February 9th. The conversation was not productive of much more than the report contained in my message WA-380 of February 7th. I noted a reticence on the part of the State Department officials when we were dealing with the question of policy towards China in the event of a breakdown of armistice negotiations.

Prisoners of War Question

2. The State Department agrees that this very difficult problem may turn out to be a main impediment to conclusion of an armistice, unless a practical answer can be found to the dilemma which now confronts the United Nations. In essence this means that a device must be discovered whereby Chinese and North Korean prisoners who are known to have declared their unwillingness to return to Communist rule should not be forcibly repatriated, while the Communists are not compelled to compromise publicly on the principle of refusing to admit the permissibility of prisoners of war exercising choice in the matter of repatriation. Hickerson wished you to be assured that much earnest thought is being devoted to this problem in an endeavour to seek a way out of the impasse and that the State Department is fully aware of its grave implications both for the prospects of a Korean armistice and for the effects which precedents set now might have on United Nations prisoners of war in any future conflict. One avenue now being explored by the United Nations negotiators at Panmunjom, which was referred to in paragraph 5 of WA-399 of February 9th,† is to dispense with the use of the term *voluntary repatriation* and to emphasize that under the United Nations proposals all prisoners would

be *released* (although there would not be forced return of POW's). Hickerson pointed out that a serious difficulty was that the Communist authorities could never admit that their prisoners would choose not to be Communists, and therefore the more reasonable the United Nations offer might become in this matter, the more repugnant it would be likely to be to them.

3. Hickerson emphasized the moral issue involved. A large number of Communist prisoners have committed themselves and declared their intention not to return to the Communist rule. The exact numbers are not yet known, but it is possible that among the Chinese the figure may be as high as 10 percent. It is thought that repatriation of these prisoners could only be effected by force and that many would take drastic steps to avoid this eventuality, even to the extent of suicide. The State Department considers that the forced repatriation of these prisoners to face certain harsh reprisals by the Communist authorities would be contrary to United Nations principles and concepts of humanity. Some consideration has been given to my suggestion that a distinction might be made in this matter between Chinese and Korean prisoners. On the other hand, the moral issue is hard to divide in this manner. It is probable that some other solution will have to be attempted, such as accepting the general principle of release and repatriation, but presenting the Communists with a revised list of prisoners of war, deleting the names of those whom it is not intended to repatriate and offering whatever explanation could be devised.

Breakdown in Armistice Negotiations

4. This was the least satisfactory part of our discussion. Hickerson repeated what he had told me at my last meeting with him, that Ridgway's instructions are that he must not be responsible for a breakdown in the armistice negotiations. He declared that the United States wanted an armistice and that it was still hoped that one would be concluded. Allison pointed out that if an armistice were not concluded and fighting of a desultory nature continued indefinitely, a serious political problem would be posed to the administration because of public pressure to do something to put an end to the casualties being suffered in Korea.

5. At this point I stressed your view that relatively few people in most of the Western countries would consider a breakdown in the armistice negotiations which did not result from a mass attack from the enemy would justify the United Nations taking the initiative to extend the war. Hickerson observed that in reality we are at war now with China and the question is what, in the circumstances, is the wisest policy to adopt towards China. I made mention of public references which have been made here to a "more positive policy towards China," and expressed the opinion that as far as the MacArthur policy towards China was concerned, most of the Western allies would probably regard it as having even less validity now than a year ago, and that they would not be willing to subscribe to it. I said that to us the policy of limiting the war in Korea still made sense and we would certainly wish to be consulted if there were any danger of the war spreading. To Hickerson's semi-jocular question whether the allies would be willing to provide more troops for Korea, so as to

offset any need for the war being carried to China, I replied that a more likely result of extension of the war to China, except in a clear case of renewal of major aggression by China, might be that some governments would remove their forces from Korea.

Approach to Soviet Union

6. The United States is still considering the possibility of secretly sounding out the Soviet Union at some appropriate time regarding a political settlement in Korea. The State Department, however, maintains its objection to doing this before conclusion of an armistice, lest opportunity be given the Soviet to increase the Communists pressure on the United Nations armistice delegation to get involved in political matters.

7. The State Department position on post-armistice procedures remains as we have reported. Present thinking is that the General Assembly resolution should note with approval the conclusion of an armistice and probably should take note of the warning declaration to be issued by governments with forces in Korea. The resolution should then provide for the establishment of a United Nations Commission to enter into political discussions with all interested governments and authorities. The State Department believes it would be necessary for the resolution to contain a brief statement of the terms of reference of the commission (e.g. unified, independent and democratic Korea, etc). Consideration is now being given to such matters as the negotiating Commission's composition and terms of reference. Hickerson repeated what he had previously told us, that State Department views on the contents of the General Assembly resolution are still tentative and flexible.

Objectives of Political Settlement in Korea

8. Hickerson said that we would almost certainly have to be satisfied in practice with a divided Korea. He agrees that it might be doubtful whether the achievement of a unified, independent and democratic Korea at this time would be to our interests, but he regards this problem as somewhat academic, since the State Department does not believe that political discussions at the present time can result in a mutually satisfactory solution of the Korean problem. It is for this reason that the United Nations delegation is attempting to draft the armistice agreement in terms which, if lived up to, could protect the United Nations position in South Korea indefinitely.

9. Hickerson asked me if I could give him the text of those parts of the telegrams under reference which dealt with the possible dangers of admitting that all prisoners ought not to be repatriated and with the objectives of a political settlement in Korea. I have sent him paragraphs 3 to 7 of EX-317 and 8 to 11 of EX-314. I also drew his attention to the article "beyond Korea" in *The Manchester Guardian Weekly* of January 31st, and read extracts from it.

(Communications: Please repeat important to London for the Minister.)

Note: This telegram repeated to London as No. 399, February 14th.

95. DEA/50069-A-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-485 Washington, February 20, 1952

SECRET. IMPORTANT.

KOREA — POST ARMISTICE PROCEDURES

Reference: My WA-121 of January 12th.[†]

Addressed External Ottawa WA-485, repeated Permdel New York No. 67.

1. A discussion yesterday with Ward Allen and Henkin of Hickerson's staff and Arthur Emmons of the Northeast Asian Affairs Office revealed that there has been some change in State Department views on procedures which might be followed in the United Nations after an armistice in Korea. This change has been brought about by the outcome of the negotiations at Panmunjom on Item 5 of the agenda (recommendations to governments).

2. Plenary delegations at Panmunjom have now reached agreement that the respective military commanders should recommend to governments that within three months after an armistice is concluded a high-level political conference of both sides should be held to settle through negotiation "the questions of the withdrawal of all foreign forces from Korea, the peaceful settlement of the Korean question, etc."

3. In the State Department view this is a virtual commitment to a political conference on Korea, from which it would be both difficult and unwise to attempt to escape. The State Department is therefore considering how this requirement can be met, in terms of procedures in the United Nations. The original idea of a United Nations negotiating commission does not seem to be appropriate for this purpose.

4. In view of this development the State Department now appears ready to accept the idea of the United Nations sitting down at a conference table on Korean affairs with the Chinese Communist Government as well as with the North Korean Government. It is now considered that the General Assembly resolution on post-armistice procedures should either:

(a) Appoint a United Nations delegation, rather than a commission, which might both arrange for a political conference on Korea and participate in it; or

(b) Request certain United Nations Governments, presumably governments most directly concerned, and the ROK Government to take part in a political conference on Korea. In this case there would be no United Nations delegation as such.

5. The State Department has come to no firm opinion as to which of these alternative methods might be followed, but officials appear to favour the former. They are now working on a draft of a General Assembly resolution

which might be used in this case, and they have undertaken to make it available to us when it has been completed. The draft might follow similar lines to those set out in paragraph 3 of my WA-4285[9] of December 22nd, with the exception that the resolution would appoint a delegation rather than a commission and that there would be no mention of the abolition of UNCURK (which it is now thought might be kept alive). Terms of reference for the delegation might be

(1) To try[10] to achieve a unified independent and democratic Korea.

(2) Deal with other Korean questions such as withdrawal of foreign troops.

(3) Report to the General Assembly.

6. The State Department considers that a United Nations delegation to a political conference on Korea should speak with one voice. It might therefore be advantageous for the chairman of the delegation to be appointed in weekly rotation and to speak on behalf of the United Nations delegation after an agreed-upon position has been reached. If the course were followed of having the General Assembly request specific governments as such to participate in a political conference on Korea, the State Department believes that the General Assembly should still do its best to control proceedings by establishing in some way terms of reference for governments concerned.

7. The State Department is giving consideration to the question of possible participation of the Soviet Union in the conference on Korea. Officials point out that the Communist negotiators at Panmunjom themselves have not suggested that the Soviet Union should take part in a political conference on Korea. The Communist proposal on Item 5 appears to imply that the conference should be between representatives of belligerent governments. On the other hand, the State Department has not closed its mind to the possibility of Soviet participation in a conference, either as a member of a United Nations delegation or as one of the interested governments which might be requested directly by the General Assembly to take part in the conference on Korea. At first glance there would appear to be a certain amount of difficulty in inviting the Soviet Union to be a member of the United Nations delegation sent to such a conference.

8. On the question of possible Soviet participation, the only firm view that the State Department appears to have arrived at is that if the Soviet Union expressed a strong desire to take part in some manner in a political conference on Korea, the State Department would consider it unrealistic to attempt to prevent this. State Department views on secretly sounding out the Russians on contemplated post-armistice procedures have not changed. They remain opposed to doing this before the conclusion of an armistice, but still consider that an approach of this sort might be made after an armistice.

9. As to participants on the United Nations side in a political conference on Korea, the State Department is inclined to think that these should be governments with forces in Korea, with the possible exception of the Soviet

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[10] Note marginale :/Marginal note:
not to be a sticking point.

Union. The State Department would be opposed to participation of India or Arab bloc representatives.[19]

10. With regard to the possible results of a political conference in Korea, the State Department continues to doubt that political discussions at the present time can result in a mutually satisfactory solution of the Korean problem. Nevertheless, the Department is prepared to make the effort in good faith and believes that the United States should participate in such a conference with reasonable proposals.

11. The State Department will have more information for us on this whole matter when their views have become further clarified. In the meantime they would appreciate our comments on their views regarding post-armistice procedures, in the light of the outcome of negotiations on Item 5 of the agenda at Panmunjom.

12. My immediately following telegram gives the texts of the Communist proposal on Item 5 of the agenda, submitted at plenary session on February 16, and of the United Nations Command explanatory statement accepting the Communist proposal.†

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96. DEA/50069-A-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-510 Washington, February 22, 1952

SECRET. IMMEDIATE.

KOREA — POST-ARMISTICE PROCEDURES

Reference: WA-485 of February 20.

1. The State Department have now expressed their tentative views on procedures which might be followed in the United Nations, after an armistice in Korea, in two draft resolutions:

(a) Proposed Security Council resolution;

(b) Proposed General Assembly resolution;

the texts of which are given in my immediately following teletypes.

2. In giving us these texts today, Ward Allen and Arthur Emmons stressed that they represented only working papers which have not been given any senior official approval in the Department of State. These texts were given to us for our comment. At this early stage only the United Kingdom, France, Australia and New Zealand are also being consulted.

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[19] Note marginale :/Marginal note:
India & U.S.S.R. sh[oul]d be in somehow.

3. Your attention is drawn to two points in the draft text of the Assembly resolution. The second paragraph of Part II refers only in general terms to the Panmunjom recommendation regarding the holding of a political conference for Korea. The next paragraph requests certain designated United Nations member governments to arrange and participate in such a conference "on behalf of the United Nations". In handing us this text, Ward Allen explained that as an alternative some consideration had been given to quoting the Panmunjom recommendation, which would make it clear that the conference would include representatives from "both sides" and that the Assembly resolution merely designated certain United Nations member governments as participants "on behalf of the United Nations." The other side would then be free to designate its representatives to this conference. The text as presently drafted, with its general reference to the Panmunjom recommendation in the second paragraph, perhaps does not make it sufficiently clear that there is to be participation by "both sides".

4. You will also observe that in the Assembly resolution there is a sentence in brackets which reads "invites the government of the U.S.S.R. to participate in the conference." It was explained to us that this sentence has been put in brackets because it is contemplated to sound out the Russians before the resolution is submitted in the Assembly and, depending upon the Soviet reaction, this sentence would be included or excluded from the text. It was emphasized, however, that the Russians would not be approached before an armistice is concluded.

5. Your early comments on these texts would be appreciated.

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97. DEA/50069-A-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-511 Washington, February 22, 1952

SECRET. IMMEDIATE.

KOREA — POST-ARMISTICE PROCEDURES

Reference: WA-510 of February 22.

Following is the draft text of the proposed Security Council resolution, Text Begins:

The Security Council

Recalling its resolutions of June 25, June 27 and July 7, 1950;

Having considered the report from the Unified Command dated . . . . ;

Notes with approval the terms of the armistice contained in this report and expresses its profound satisfaction that hostilities in Korea have been brought to an end on a basis consistent with the principles of the United Nations and the resolutions of this Council;

Requests the General Assembly to consider the measures which should now be taken to bring about a final settlement in Korea in accordance with the principles and objectives of the United Nations. Text ends.

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98. DEA/50069-A-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-512 Washington, February 22, 1952

SECRET. IMMEDIATE.

KOREA — POST-ARMISTICE PROCEDURES

Reference: WA-510 of February 22.

Following is the draft text of the proposed General Assembly resolution, Text begins:

The General Assembly

I

Recalling the resolutions of the Security Council of June 25, June 27 and July 7, 1950 and the resolutions of the General Assembly of October 7, 1950, February 1, 1951 and May 18, 1951;

Noting the resolution of the Security Council of . . . .;

Noting the statement of (date), of the United Nations members participating in the Korean action in regard to any renewal of the aggression in Korea in violation of the armistice agreement;

Notes with approval the armistice agreement set forth in the report of the Unified Command dated . . . . . which confirms that the armed attack against the Republic of Korea has been repelled, that the fighting has come to a halt, and that a major step has been taken towards the full restoration of international peace and security in the area;

Affirms that the forces representing the United Nations in Korea will faithfully observe the terms of the armistice agreement;

Calls upon other forces in Korea similarly to observe the armistice faithfully and affirms that any renewal of the aggression in Korea in violation of the armistice agreement will be met promptly by the necessary military action on the part of the United Nations;

Expresses the appreciation of the peoples of the world to the heroic forces of the members of the United Nations which have valiantly and successfully fought on behalf of the principles of the Charter, and which continue to serve in Korea pending the full restoration of international peace and security in the area;

II

The General Assembly

Reaffirms that the objectives of the United Nations continue to be the full restoration of peace and security in the area and the establishment of a unified, independent and democratic government in Korea;

Notes the recommendation contained in the armistice agreement that a conference be held for a political settlement for Korea;

Requests the following United Nations member governments with armed forces in Korea, viz. Australia, France, Thailand, Turkey, the United Kingdom, and the United States, on behalf of the United Nations, in consultation with the Republic of Korea, to arrange for and participate in such a conference for a Korean settlement as soon as possible and at an agreed place;

(Invites the government of the USSR to participate in the conference);

Requests the governments acting on behalf of the United Nations

A. To seek at the conference

(1) A peaceful settlement of the Korean question through the establishment by the Korean people of a unified, independent and democratic government in Korea;

(2) A solution of other related Korean questions as, for example, the withdrawal of non-Korean forces from Korea;

B. To submit to the General Assembly for approval any agreement reached at the conference;

C. To report to the Assembly when agreement is reached or at any other time they consider appropriate;

Calls upon the UNCURK to advise the governments acting on behalf of the United Nations as requested, and to continue to exercise its functions under the General Assembly resolution of October 7, 1950 in such a manner as to support the efforts at the conference of the governments acting on behalf of the United Nations;

Reaffirms the intention of the United Nations to carry out its program for the assistance of the Korean people in the reconstruction and rehabilitation of all of Korea, and requests the Agent General to prepare plans for the extension of his activities throughout Korea as soon as the General Assembly will have approved a political settlement for a unified, independent and democratic Korea. Text ends.

99. DEA/50069-A-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis

Secretary of State for External Affairs
to Ambassador in United States

TELEGRAM EX-457 Ottawa, March 3, 1952

SECRET

KOREA: PRISONERS OF WAR

I should consider it unfortunate if the armistice talks were to break down over prisoners of war. I think it is obvious from the paragraphs of EX-317 of Feb. 7, which you showed to the State Department, that I am not altogether convinced that the course presently being followed by the United Nations Command at Panmunjom is the wise one. However, before going any further with the State Department, I should like to know whether any other of the interested countries in Korea has expressed views on this matter to the United States. I am sending enquiries to London and Canberra to find out if they have raised the question with the United States and should be grateful if you would try to find out from the State Department if any other country has made an approach.

2. At the same time it would be interesting to know whether the State Department thinks that any Chinese prisoners of war who might elect not to be repatriated would be accepted on Formosa by Chiang Kai-shek. Similarly, would North Korean prisoners who elected not to be repatriated be accepted by the government of South Korea? If the answer to either of these questions is negative, or that the State Department does not know, I should like to know just what they plan with any prisoners who are not repatriated. Such information as we have here suggests that Chiang-Kai-shek would not allow Chinese prisoners to go to Formosa, and it is further our estimate that Chinese prisoners of war who were returned to Chinese hands would be unlikely to suffer unduly. The reason for this estimate is that a great many of the Chinese "volunteers" were Nationalists who defected wholesale to the Chinese Communists. Having fought against the Communists and been accepted by them once there does not appear to be much reason to assume that they would not receive the same treatment again. It is difficult to be sure that the Chinese prisoners are men of great principle rather than opportunists.

3. I should like your advice on what should be done in regard to the present position of the United States and the United Nations Command re voluntary repatriation. At the moment I am inclined to think that if we put pressure on the United States government, that government might be inclined later to defend itself from criticism by saying that it yielded to pressure from its allies. You will recall that this was one of the reasons used by the United States

government in the MacArthur hearings[20] to explain why "hot pursuit" had been abandoned. The question is whether the pressure of that public opinion which wants to get United States prisoners back home counter-balances that public opinion which wants to keep prisoners who have waived their right to repatriation out of Communist hands.

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100. DEA/50069-A-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis

Secretary of State for External Affairs
to Ambassador in United States

TELEGRAM EX-466 Ottawa, March 4, 1952

SECRET

KOREA: POST-ARMISTICE NEGOTIATIONS

Reference: Your messages WA-510, 511 and 512 of February 22.

I have been thinking about the ideas put forward in your telegrams under reference and other related messages, and have come to the conclusion that I cannot yet make detailed comments on the proposals put forward by the State Department. You may pass on the following preliminary comments, together with an assurance that I shall look forward to seeing Mr. Acheson and possibly discussing these points further when I come to Washington.

2. In any resolution which comes before the United Nations, and indeed in all our future negotiations for a political settlement in Korea, we have to be careful not to disavow the past actions of the United Nations or to seem to fall in with the Soviet and Chinese thesis that the actions of the United Nations in the summer of 1950 were illegal: they were not illegal or improper in any way. Nevertheless, if reference back to those actions will jeopardize the chance of a political settlement of the Korean war, I think we should have sufficient confidence in the propriety of our past actions to be able to omit another reference to them.

3. I say this on the assumption that secret diplomatic soundings will have shown that the Soviet Union is willing to co-operate in bringing about a political conference on reasonable terms, and that is really the crux of the matter. There is no real point in discussing the details of resolutions which may be put before the Security Council or the General Assembly until we know what the attitude of the Soviet Union will be. A resolution such as that in WA-512 should be put forward only if secret soundings show that the Soviet Union will not co-operate under a resolution which does not refer to past action. In

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[20] Séance du comité du Congrès des États-Unis chargé d'examiner la destitution par le président Truman du général Douglas MacArthur comme chef du commandement militaire des Nations unies en Corée.
United States congressional hearing into the dismissal by President Truman of General Douglas MacArthur as head of the United Nations military command in Korea.

my view, consultation with the Soviet Union is sufficiently important that I am thinking of suggesting to Eden that he should have Jebb speak to Malik without waiting to be asked by the United States to do so. Eden, of course, would not act without telling the United States that he meant to do so, but there really is no reason why the initiative can come only from the United States. (The preceding two sentences are for your own information only.)

4. There are two remarks about the State Department plan which you may pass on, in addition to the foregoing general comment. First, I think that it would be unwise to provide for a conference on Korea without Indian participation. All other considerations aside, it will appear that the United States is showing pique for what it regards as a lukewarm attitude on the part of India. Secondly, while I agree that the General Assembly should select a few representative states to take part in the conference, I think it would be unwise to look upon those states as a United Nations delegation to speak with one voice. There will be differences of approach among them, and the United Nations "delegation" to the political conference will not be able to function like the "United Nations" delegation to the armistice talks.

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101. DEA/50069-A-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-627 Washington, March 5, 1952

SECRET

KOREA — POST-ARMISTICE NEGOTIATIONS

Reference: Your EX-466 of March 4th.

Addressed External Ottawa as WA-627 and repeated to Permdel New York as No. 88.

1. I conveyed your preliminary views on the State Department's tentative proposals to Hickerson today, saying that you would wish to discuss these matters further when in Washington next week. His initial reactions may be of some interest.

2. He appeared to be sympathetic toward the argument in your paragraph 2. I did not press him further on the question of a secret approach to the Soviet Union at this time, but he left me with the impression that if the Soviet Union were later found to be willing to accept a resolution which did not refer to the past actions of the United Nations but established a satisfactory basis for a political conference, he would probably favour this course.

3. The State Department sees serious difficulties in including India in a Korean conference. Hickerson said that the reports by Bowles[21] of discussions with the Indian Government left him with the impression that India in any case would be unwilling to serve, although the question had not been put directly in New Delhi. He stated that the position here towards Indian participation was not in any way caused by India's lukewarm attitude. The reason for it is that unless representation at the conference is limited to governments with forces in Korea (plus perhaps the Soviet Union), there will be demands for membership from the Arab bloc, possibly Nationalist China, and others. In the armistice negotiations agreement had been reached on a recommendation that "both sides" should participate in a conference, and the Communists apparently regarded this as meaning governments with forces in Korea.

4. The State Department now considers that Colombia should be one of the countries designated, as the only Latin American country which has provided troops, thus raising the representation of United Nations members to seven.

5. Hickerson agreed that in such a conference the United Nations side could not be expected always to speak with one voice. It was hoped, however, that the governments concerned and their representatives at the conference would consult together before the conference began and aim at reaching a general agreement on the strategy and tactics to be employed. It is to be expected that the Communist side will be intractable, and this in itself should help to make the United Nations side cohesive.

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102. DEA/50069-A-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-631 Washington, March 6, 1952

SECRET. IMPORTANT.

KOREA — PRISONERS OF WAR

1. We discussed today with Alexis Johnson the points made in your message EX-457 of March 3rd.

2. The Korean Government has been consulted by the United States concerning the disposition of North Korean prisoners who would not wish to be repatriated, and the ROK Government has stated its willingness to accept them. Johnson said that during his recent journey to Korea he had been very impressed by the rapidity with which North Korean refugees had been accepted and assimilated in South Korea. He referred to the fact that this had been a continuing process and that several hundred thousand refugees from

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[21] Chester Bowles, ambassadeur des États-Unis en Inde.
Chester Bowles, Ambassador of United States in India.

North Korea moved into South Korea during the period 1945-50. Some of these persons are now in prominent positions in political life in the republic.

3. The Chinese Government in Formosa has not been approached by the United States Government with respect to Chinese prisoners not wishing to be repatriated to Communist China. The Chinese Nationalists, however, have given voluntary although informal indications that the Nationalist Government would be glad to accept such Chinese personnel, subject to screening. George Yeh, the Chinese Nationalist Foreign Minister, stated publicly on February 25th that non-Communist Chinese soldiers captured by United Nations forces in Korea would be welcomed into the forces "to participate in the work of anti-Communism." Johnson said the United States did not welcome a public statement of this sort because of its possible harmful effects on the armistice negotiations. The State Department regards the disposition of the Chinese prisoners of war who do not wish to return to Communist rule as a much more sensitive question than that of North Koreans in a similar category. The United States does not wish to acerbate the Formosa situation by suggesting to the Chiang Kai-shek Government that it provide for the acceptance on Formosa of Chinese prisoners of war held by the United Nations in Korea. The State Department would be interested to know the origin of the information you have received which suggests that Chiang Kai-Shek would not permit Chinese prisoners to go to Formosa, since this conflicts with reports received by the department.

4. Discussing the position of former Nationalists amongst the Chinese prisoners of war, who had defected wholesale to the Communists, Johnson argued that the manner in which these prisoners had fallen into United Nations hands was not the same as that in which they had come under Communist rule. Most of them had come under Communist rule not by volition or by the exercise of individual choice, but as a result of mass surrender on the part of large units. The majority of Chinese prisoners taken by the United Nations in Korea, however, surrendered individually and many of these have now indicated not only a choice but a determination not to return to Communist rule. A large number of Chinese prisoners, who must be assumed by their actions to have been anti-Communist all along, have since their capture been of considerable service to the United Nations Command by such means as cooperating in intelligence work and camp administration. In other words, a proportion of the Chinese prisoners have by their acts committed themselves as anti-Communists and are known to have done so. It is thought that these people would take extreme measures to avoid being sent back to inevitable reprisals by Communist authorities. Johnson cited the frequent mass executions now taking place in China as evidence that the Communist authorities would not be likely to take the trouble to have a second attempt at indoctrinating these prisoners if they again came into their hands.

5. Johnson pointed out that it was very difficult to determine precisely those prisoners who would go to any lengths to avoid repatriation, before the time of decision came. Tentative estimates, however, place in this category 4,000 to 5,000 North Koreans out of the 96,000 North Korean prisoners held and

approximately 11,000 out of the 20,000 Chinese prisoners. Johnson said he personally thought that the estimate of Chinese prisoners might be a little high. In any case he agreed that the aim of the United Nations Command would be to reduce to the minimum the number of prisoners who it was considered could not be returned to the Communists.

6. As to tactics on the prisoner of war question, Johnson repeated what he had told us on February 25th (see my WA-525).† The United Nations delegation would attempt to obtain a practical compromise on the prisoner of war question in return for United Nations concessions in the matter of airfield inspection. If this should prove impossible, it might be necessary to confront the Communists with a *fait accompli* by simply releasing a certain number of prisoners and taking their names off the POW lists. Johnson confirmed that if this has to be done, the State Department does not think that trickery should be employed. If names are deleted from United Nations prisoner of war lists, both the International Red Cross and the Communist authorities should be notified. Johnson thought it possible that ultimately the Communists might accept a *fait accompli* of this sort provided that they knew they were going to get back a large majority of their prisoners (e.g. over 100,000 of the 116,000 Communist prisoners held). It was hoped that Communist acquiescence in this might be aided by the United Nations having dropped the idea of voluntary repatriation in the armistice negotiations (taking the stand rather that there should be no forced repatriation). If the Communists accepted the *fait accompli* the United Nations could then go on record as agreeing to general repatriation.

7. As to public opinion in this country, Johnson thought that it had not really come to grips with the prisoners of war problem, possibly because there are other contentious issues which delay the conclusion of an armistice. Johnson thought that in so far as there had been expressions of public opinion on the matter, they had in general approved the United Nations position against forced repatriation. He hazarded a personal opinion that even if a breakdown of the armistice talks on the POW repatriation question were threatened, American public opinion would for the most part regard forced repatriation of prisoners held by the United Nations as payment of ransom to the Communists for United States prisoners and would not acquiesce in it. This opinion seems to me somewhat surprising but much would depend I suppose upon how the issue were presented to the public.

8. I agree with you that, if strong representations were made by friendly governments to the effect that the United States should abandon its objections to compulsory repatriation, this would very likely be used as a defence by the administration against public criticism. Before considering the advisability of taking action of this sort, I think perhaps that we might await development of the United Nations tactics at Panmunjom and the clarification of public opinion. Johnson said that other governments concerned have not expressed views to the United States on the prisoners of war question.

103. DEA/50069-A-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis

Secretary of State for External Affairs
to Ambassador in United States

TELEGRAM EX-521 Ottawa, March 10, 1952

CONFIDENTIAL

KOREA: POST-ARMISTICE NEGOTIATIONS

Following from Under-Secretary, Begins: The Minister has decided that, on the whole, he prefers that Canada be left out of any slate of countries which might participate in a post-armistice conference on Korea. You are therefore at liberty to take this position if the question is raised with you by the government to which you are accredited.

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104. DEA/50069-A-40

Note de l'ambassadeur aux États-Unis

Memorandum by Ambassador in United States

SECRET Washington, March 11, 1952

MR. ACHESON'S VIEWS ON ARMISTICE NEGOTIATIONS IN KOREA[22]

1. In the course of discussion after dinner at the Embassy last night between Mr. Acheson, Mr. Pearson, Mr. Freeman Matthews and myself, Mr. Acheson said that in his judgement the time had come to end the type of negotiations with the Communists in Korea which have been going on now for some eight months. The tempers and nerves of the negotiators were frayed, and the public would not take much more of this sort of thing. He was therefore supporting — and he implied with the approval of the President — an offer from the Unified Command which would deal in one package with the four outstanding points of difference now remaining. This offer might perhaps be presented by General Ridgway in person, and might be preceded by a proposal from General Ridgway that he should meet with the Communist Field Commanders.

2. The offer would deal with the following points of difference:

(a) *Inspection at Ports of Entry*. The present difference was between seven ports of entry for inspection requested by the United Nations command and five proposed by the Communists. A compromise on six should not present difficulties.

(b) *Organ for Observation of the Armistice*. The Communist demand that the Soviet Union should be represented on a "neutral" organ should be sidestepped by offering to set up an organ on which would serve representatives of three countries chosen by each side, and the designation of the organ as neutral should be dropped. This would permit the Soviet Union to serve without being labelled a neutral, together with representatives of two satellite countries.

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[22] Le Document est paraphé:/The document is initialled:
L.B. P[earson].

(c) *Prisoners of War*. This was the most difficult question in dispute. On the United Nations side repatriation of unwilling prisoners at bayonet-point could not be accepted. The Convention of 1949 had not been drafted with a situation of this sort in mind and could not be literally applied. Most of the Communist prisoners in the United Nations' hands would be quite ready to be repatriated, but the minority — and no-one knew how large it really was — could not be forced back. For the idea of voluntary repatriation put forward originally on the U.N. side, there had been substituted in the negotiations the idea of no forcible repatriation. This the Communists would have to accept. It might be covered over to some extent by reclassification of prisoners in U.N. hands, a practice which the Communists have themselves indulged in freely.

(d) *Airfield Construction*. In return for agreement on the other points, General Ridgway would waive the demand for a prohibition on airfield construction during the armistice.

3. Mr. Acheson suggested that this offer should be made as a firm and final offer. When it was first presented, it might be handed to the Communists, and they might be told that an immediate answer was not expected, but that a further meeting would be held in a week. If they came back with further bargaining, they could be again told that the offer was final, but that they could have more time to think over it if they wished. Mr. Pearson indicated that this procedure seemed to him to have merit.

4. Mr. Acheson repeated the confident views previously expressed on the morale of the U.N. forces and on their capacity to resist a renewed Communist offensive. He said, indeed, that such an offensive would be welcome to the troops, as it would bring the Communists out of their positions into the open.

5. In the course of discussion he expressed doubt on the wisdom of ratifying the Convention of 1949 on prisoners of war, based as it was on the experience of the two World Wars and being ill adapted to situations other than victory in the field.

6. The conversation then turned from the entanglements in Korea to the morass in Indo-China, and the discussion on the situation there added nothing to what we already know.

H. W[RONG]

105. DEA/50069-A-40

Le secrétaire d'État aux Affaires extérieures
au haut-commissaire en Inde

Secretary of State for External Affairs
to High Commissioner in India

TELEGRAM 59 Ottawa, March 13, 1952

SECRET

KOREA: POST-ARMISTICE CONFERENCE

As you probably know from papers referred to you, we have expressed the view to the State Department that India ought to be included among those invited to any post-armistice conference on Korea. The State Department doubts whether India would take part in a conference limited to Korean questions. Would you please approach Bajpai informally and with the greatest discretion and find out, without revealing the reason for your inquiry, if India would be willing to take part in a conference of this sort.

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106. DEA/50069-A-40

Le haut-commissaire en Inde
au secrétaire d'État aux Affaires extérieures

High Commissioner in India
to Secretary of State for External Affairs

TELEGRAM 48 New Delhi, March 20, 1952

SECRET

Reference: Your telegram No. 59 of 13th March.

I saw Bajpai this noon on several topics. In the course of the conversation on prospects in Korea, after mentioning the provisional agreement at Panmunjom for a post-armistice political conference, I asked him whether India had expressed herself on composition of such a conference. He replied that at the Prime Minister's Conference, India had proposed that parties to a post-armistice conference should be the Big Five which I presume would include Communist rather than Nationalist China and at least two other countries. India, he said, had not, repeat not, mentioned names of these two other countries but those they had in mind were Canada and India. My reference to Panmunjom provisional agreement, restricted as latter was to Korea, did not, repeat not, lead him to suggest that India's earlier proposal should not now be modified; and I went no further.

107. DEA/50069-A-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-817 Washington, March 26, 1952

SECRET. IMPORTANT.

KOREA — POST-ARMISTICE PROCEDURES

Reference: WA-627 of March 5th, repeated to Permdel, New York as No. 88.

Addressed External as WA-817, repeated to Permdel, New York as No. 117.

1. The State Department have now come to a point of view in general accord with that expressed in your message EX-466 of March 4th. They agree that the Soviet Union should be sounded out regarding post-armistice procedures and Soviet participation in a conference for a political settlement and that the form of the United Nations resolutions on Korea should depend upon Soviet reactions.

2. To this end the State Department have re-drafted their proposed Security Council and General Assembly resolutions so as to remove tendentious sections which would be unacceptable to the Soviet Union. The new proposed draft resolutions were handed to us today by Ward Allen and Henkin of Hickerson's office and the texts are given in my immediately following teletypes WA-818 and WA-819. The draft of the General Assembly resolution is very close to the United Kingdom draft as given in EX-474 of March 4th.[9] Allen explained that the United States would regard these resolutions as an interim measure designed to expedite the holding of a political conference on Korea and would consider that "the record should be made clear" after the conference had been held. The terms of the final resolutions would of course depend upon the outcome of the conference.

3. The State Department believe that the Soviet Union might be approached before actual signature of an armistice in Korea, but they would not agree to this move being made prior to agreement between the delegations at Panmunjom on all substantive matters in the armistice negotiations. They have come to no firm views as to the method by which preliminary soundings of the Soviet Union should be carried out.

4. The United States would be willing that the temperate resolutions should be put forward if the Soviet reaction to preliminary soundings should be favourable or possibly even if it should be noncommittal. If the Soviet reaction should be unfavourable the United States would wish to see the resolutions stiffened in accordance with their previous drafts. Paragraphs which the State Department would seek to have included in the General Assembly resolution in the event of Soviet refusal to participate in the post-armistice negotiations are set out in my following message WA-822.

5. In the United States view, Soviet participation in a post-armistice Korean settlement is desirable but not essential. State Department officials continue to be very sceptical of the results of the proposed political conference on Korea.

6. I should be grateful to have your comments on the new United States proposals for action in the United Nations in the event of an armistice in Korea.

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108. DEA/50069-A-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-818 Washington, March 26, 1952

SECRET. IMPORTANT.

KOREA — POST-ARMISTICE PROCEDURES

Reference: My immediately proceding teletype.

Addressed External as WA-818, repeated to Permdel, New York as No. 118.

1. Following is text of revised draft of proposed Security Council Resolution on Korea:

"The Security Council

"Having considered the report from the Unified Command dated . . . . ;

"Notes with approval the terms of the armistice contained in this report and expresses its profound satisfaction that hostilities in Korea have been brought to an end on a basis consistent with the principles of the United Nations;

"Requests the General Assembly to consider the measures which should now be taken to bring about a final settlement in Korea in accordance with the principles and objectives of the United Nations."

109. DEA/50069-A-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-819 Washington, March 26, 1952

SECRET. IMPORTANT.

KOREA — POST-ARMISTICE PROCEDURES

Reference: My WA-817 of March 26th, repeated to Permdel, New York, as No. 117.

Addressed to External as WA-819, repeated to Permdel, New York, as No. 119.

1. Following is text of revised draft of proposed General Assembly resolution on Korea:

The General Assembly

"Noting the resolution of the Security Council of . . . . ;

"Notes with approval the armistice agreement set forth in the report of the Unified Command dated . . . . ;

"Reaffirms that the objectives of the United Nations are the establishment by the Korean people of a unified, independent and democratic government in Korea and the full restoration of international peace and security in the area;

"Notes the recommendation contained in the armistice agreement that "a political conference of a higher level of both sides be held by representatives appointed respectively to settle through negotiation the questions of the withdrawal of all foreign forces from Korea, the peaceful settlement of the Korean question, etc.;

"Agrees to the holding of a conference of governments acting on behalf of United Nations, the Republic of Korea and the other parties contemplated by the recommendation in the armistice agreement;

"Designates the following United Nations member governments with armed forces in Korea, viz. Australia, Colombia, France, Thailand, Turkey, the United Kingdom, and the United States, to act on behalf of the United Nations, and requests them, in consultation with the Republic of Korea, to arrange for and participate on behalf of the United Nations in such a conference for a Korean settlement as soon as possible and at an agreed place;

"Invites the Government of the USSR to participate in the conference;

"Requests the governments acting on behalf of the United Nations.

A. To seek at the conference a peaceful settlement of the Korean question through the establishment by the Korean people of a unified, independent and democratic government in Korea, and the solution of other related Korean questions as, for example, the withdrawal of non-Korean forces from Korea;

B. To submit to the General Assembly for approval any agreement reached at the conference;

C. To report to the Assembly when agreement is reached or at any other time they consider appropriate;

"Calls upon UNCURK to give such advice and assistance to the governments acting on behalf of the United Nations as requested, and to continue to exercise its functions under the General Assembly resolution of October 7, 1950 in such a manner as to support the efforts at the conference of the governments acting on behalf of the United Nations;

"Reaffirms the intention of the United Nations to carry out its program for the assistance to the Korean people in the reconstruction and rehabilitation of all of Korea, and requests the Agent General to be ready to extend his activities throughout Korea as soon as the General Assembly will have approved a political settlement for a unified, independent and democratic Korea."[23]

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110. DEA/50069-A-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-882 Washington, March 26, 1952

SECRET. IMPORTANT.

KOREA — POST-ARMISTICE PROCEDURES

Reference: My WA-817 of March 26th, paragraph 4, repeated to Permdel, New York, as No. 117.

Addressed to External as WA-822, repeated to Permdel, New York, as No. 120.

1. Following are paragraphs which State Department would seek to have incorporated in General Assembly resolution, if Soviet reactions to preliminary soundings should be unfavourable.

The General Assembly

"Recalling the resolutions of the Security Council of June 25th, June 27th and July 7th, 1950 and the resolutions of the General Assembly of October 7, 1950, December 1, 1950, February 1, 1951 and May 18th, 1951;

"Notes with approval the armistice agreement set forth in the report of the Unified Command dated .... which confirms that the armed attack against the Republic of Korea has been repelled, that the fighting has come to a halt, and that a major step has been taken towards the full restoration of international peace and security in the area;

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[23] Note marginale :/Marginal note:
must refer to UNKRA.

"Affirms that the forces representing the United Nations in Korea will faithfully observe the terms of the armistice agreement;

"Calls upon other forces in Korea similarly to observe the armistice faithfully and affirms that any renewal of the aggression in Korea in violation of the armistice agreement will be met promptly by the necessary military action on the part of the United Nations;

"Expresses the appreciation of the peoples of the world to the heroic forces of the members of the United Nations which have valiantly and successfully fought on behalf of the principles of the Charter, and which continue to serve in Korea while further steps are being taken for the full restoration of peace and security;

"Expresses profound satisfaction over the success of the United Nations in its first effort to restore international peace and security by collective military measures, and expresses its firm conviction that this proof of the effectiveness of collective security under the United Nations Charter will contribute to the maintenance of international peace and security."

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111. DEA/50069-A-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis

Secretary of State for External Affairs
to Ambassador in United States

TELEGRAM EX-660 Ottawa, March 27, 1952

SECRET. IMPORTANT.

KOREA — POST-ARMISTICE PROCEDURES

Reference: Your WA-817, 818, 819 and 822 of March 26.

The scheme outlined in your telegrams under reference is most gratifying and I have no hesitation in accepting it almost without change. The only suggestions I have to make at present relate to the General Assembly resolution in WA-819.

2. I am, as I said earlier, doubtful about the inclusion of Colombia among the negotiating powers. I realize the desire of the United States to recognize Colombia's contribution of a battalion and to avoid appearing to slight its Latin American allies, but I do not think that the mustering of Colombia, Thailand and Turkey looks very good. Secondly, I still think that India, as a party at interest, ought to be invited to the conference. Soundings in Delhi indicate that the limited scope of the conference would not deter India from attending. I should be grateful if you would bring these two points on the composition of the conference to the attention of the State Department and

again urge that India be invited. I am asking Australia and the United Kingdom to support this approach.

3. In the terms of reference for the governments acting on behalf of the United Nations, sub-paragraph A nearly but not quite follows the wording of the agreement on Item 5 of the agenda at Panmunjom. I consider, however, that it means the same thing and that agreeing in the General Assembly to amend the resolution to follow the wording of the agreement on Item 5 would be a harmless concession to make if the Soviet Union requests it. I think that this is a comment you might mention in passing.

4. The final paragraph in your WA-819 obviously refers to UNKRA but, unless we have received it in corrupt form, there is no mention of the agency by name. This the State Department will no doubt wish to correct.

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112. DEA/50069-A-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-860 Washington, March 29, 1952

SECRET

KOREA — POST-ARMISTICE PROCEDURES

Addressed Ottawa as WA-860 and repeated to New York as No. 125.

1. The comments made in your message EX-660 of March 27th were passed on today to Ward Allen and Kenkin [Henkin] of Hickerson's office. They undertook to convey your views to Hickerson and other appropriate senior officials.

2. They thought there might be some difficulty about not including Colombia among the negotiating powers, not only for political reasons but also because they believed that informal conversations had already taken place with high Colombian officials about the possibility of Colombia's participation in the political conference on Korea.

3. They said that the question of Indian participation in the conference would be looked at again in the light of the additional information received from you. They thought there would be considerable opposition in the State Department to extending an invitation to India on the grounds that the conference should as far as possible be restricted to governments participating in the Korean war; a position which they claim is implied in the Communist proposals regarding Item 5 of the armistice. We urged that the principle would in any case be broken by an invitation to the Soviet Union, and India should be invited as an interested and important Asian power. I have the impression that United States reluctance to invite India stems from fear that India may cause trouble at a political conference on Korea by attempting to play a "third hand".

4. With regard to the point made in paragraph 3 of your message, State Department officials consider it appropriate that the terms of reference for the governments acting on behalf of the United Nations should differ in emphasis from the wording of the agreement on Item 5 of the armistice agenda. In particular, it was not desirable to retain in the United Nations resolution the awkward and ambiguous word "et cetera". Furthermore, it seemed preferable to word the terms of reference in such a way as to place emphasis on consistently held United Nations principles regarding Korea rather than such matters as withdrawal of troops.

5. State Department officials said there would be no objection to the naming of UNKRA in the final paragraph of the General Assembly resolution (as suggested in paragraph 4 of your message).

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113. DEA/50069-A-40

Le haut-commissaire au Royaume-Uni
au secrétaire d'État aux Affaires extérieures

High Commissioner in United Kingdom
to Secretary of State for External Affairs

TELEGRAM 856 London, March 29, 1952

SECRET

KOREA — POST-ARMISTICE PROCEDURES

Reference: Your telegram No. 683 of March 27.[†]

We have spoken with the Foreign Office China and Korea Department today. They have taken note of your suggestion that the United Kingdom might see its way to support your approach and will (a) put it up for consideration (b) meanwhile enquire of the United Kingdom Embassy, Washington, by personal letter whether there are any signs that the State Department might be more favourably disposed than hitherto.

2. While themselves continuing at the official level to take the same view as yourself, they have not made any further attempt to persuade the State Department since the time of their first sounding in Washington. At that time the preliminary view of the State Department "off the record" was that India would seek to widen the scope of the conference to cover other Far Eastern issues.

3. On being told this, we indicated that there was evidence to the contrary. John Lloyd said that on March 7 Sir Archibald Nye had given an opinion that India would not insist on an invitation and that in the present state of Indian policy he would prefer not to press the matter in New Delhi.

114. DEA/50069-A-40

Le haut-commissaire en Australie
au secrétaire d'État aux Affaires extérieures

High Commissioner in Australia
to Secretary of State for External Affairs

TELEGRAM 32 Canberra, April 4, 1952

SECRET

KOREA — POST-ARMISTICE PROCEDURES

Reference: Your telegram No. 49 of March 27.†

Harry, the Acting Assistant Secretary of External Affairs, has advised that the Australian views of neutral countries' inclusion of India in the post-armistice conference are still as indicated in my telegram No. 22 of March 8th† and in the memorandum enclosed with your despatch No. Y.114 of March 13th.†

He said that past experience suggested that India's presence at the conference would not, repeat not, assist the United Nations in attaining its objectives. He knew of no new considerations which would warrant a change in the Australian attitude but said that our request for support for the inclusion of India would be considered.

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115. DEA/50069-A-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis

Secretary of State for External Affairs
to Ambassador in United States

TELEGRAM EX-1085 Ottawa, May 15, 1952

SECRET

PROBLEMS CONNECTED WITH THE WAR IN KOREA

1. There are three aspects of the problem of Korea which you might discuss with the State Department. The first is that, even if there appears to be no prospect of an armistice coming from further negotiations, and no matter how empty the formality of further meetings might become, we would hope, as I know they hope in Washington, that the talks should not be broken off by the United Nations side. The Communist negotiators have obviously been trying to force the U.N. representatives into this position. The analogy I have in mind here is that of the negotiations towards an Austrian peace treaty. The responsibility for breaking off the talks, if they are broken off, must lie with the enemy. In this connection we are concerned with the repeated public quotations of Admiral Joy to the effect that the package proposal is "final" etc., about which I have telegraphed you separately.

2. Secondly, and this is related to my first point, we consider that a *de facto* cease-fire on the ground is preferable to a renewal of hostilities on the ground. If the talks remain deadlocked as envisaged in my preceding paragraph, or even if they are completely broken off, surely it would not be wise for the United Nations side to take the initiative on the ground. The State Department may refer to the informal discussions of last September in which we agreed that the United Nations forces might undertake small tactical advances which, when added together, would amount to a creeping advance to the neck of Korea above Pyongyang. When we gave our consent to such advances, we did so on the basis of two arguments: that action was necessary to keep the enemy off balance and unable to launch an attack, and that action was necessary to maintain the morale of our own troops. By United States estimates, the enemy is now in a position to launch attacks if he so wishes, and the morale of our own troops seems to have been sustained even though there has for several months now been a virtual cease-fire on the ground. The situation has, therefore, changed somewhat from September. Therefore it might well be that the present holding operation is preferable to a renewal of any action on the ground. The problem of morale for the troops during an indefinite stalemate in Korea would be serious. However, fighting for merely tactical advances might itself add to the problem of morale. In any case, we certainly could not agree to any major offensive without prior consultation on the political level and in sufficient time to permit our views to be considered seriously.

3. Thirdly, there is a point to be made about consultation. Consultation after an initiative has been taken, or consultation too late to permit the initiative to be altered, is not really consultation at all. For instance, the way in which the instruction to General Ridgway about the package proposal was handled was not satisfactory from our point of view. We do not question the explanation that the instruction to Ridgway, based on the view of ourselves, the United Kingdom and others, telling him to take the emphasis off the finality of the package proposal, did not arrive in time, but the fact that it did not arrive in time is an indication of the unsatisfactory character of the consultation. The events of the last few months have amply demonstrated, it seems to me, the overriding need for secrecy if the negotiations are to be at all fruitful. When the U.S. army discovered that significantly large numbers of prisoners held by the United Nations did not wish to be repatriated, this fact should have been communicated to the Allied powers concerned for whatever counsel they might wish to give, but should it not have been kept secret? It is surely obvious that once this fact was broadcast to the world the other side would make a major issue of it. I believe we were quite right in treating it as a moral question, but am doubtful of the wisdom of attempting to exploit it as a propaganda weapon. The former consideration would not be inconsistent with secrecy. On the contrary, it could be better treated on its own merits when it was kept secret; the second consideration seems to have been a factor in making it public and, once this had been done, it was obviously difficult for the Chinese to give in without serious loss of face. In this connection I would draw your attention to

an editorial on the subject in the *Economist* for May 10 which concludes as follows:

"Meanwhile the eagerness of propaganda organizations to exploit the refusal of Chinese and North Koreans to return home must not be allowed to make negotiation more difficult. Peace in Korea is more important than points scored over the radio."

4. It is, of course, easy with the benefit of hindsight to criticize this or that point in the handling of the negotiations. It would obviously have been better, for instance, if the United Nations side had not given the Communists, as they did, the nominal role of prisoners held by the U.N. This is the kind of mistake, however, which one can overlook because it was made in a situation which was completely new in the modern international scene. I cannot feel, however, that we should let the other points raised in this telegram pass without comment if our relations on this matter with the United States in the future are to be maintained on the frank and helpful basis that we desire.

116. DEA/50069-A-40

L'ambassadeur aux États-Unis au secrétaire d'État aux Affaires extérieures

Ambassador in United States to Secretary of State for External Affairs

DESPATCH 1196 Washington, May 21, 1952

SECRET

SPECIAL PROBLEMS CONNECTED WITH THE WAR IN KOREA

Reference: Your messages EX-1084† and EX-1085 of May 15th.

I enclose two copies of a Memorandum based on your messages which I am leaving at the State Department this afternoon with Mr. Hickerson, Assistant Secretary for United Nations Affairs, and Mr. Johnson, Deputy Assistant Secretary for Far Eastern Affairs. I shall report later by teletype on my discussion. For the reasons given in my message WA-1364 of May 20th,† I have inserted at the end of the enclosure a general paragraph dealing with the need for frequent and close consultation on Korean issues and have not gone into the matters of detail mentioned in paragraph 3 of your EX-1085.

H.H. WRONG

[PIÈCE JOINTE/ENCLOSURE]

Communication de l'ambassadeur aux États-Unis
Memorandum by Ambassador in United States

ORAL MESSAGE Washington, May 21, 1952

SECRET

Even if there appears to be no prospect of an armistice being concluded as a result of further negotiations, and no matter how empty the formality of further meetings may become, the Canadian Government considers — and it is believed that this view is shared in Washington — that the talks should not be broken off by the United Nations Command. The Communist negotiators obviously are trying to force the U.N. representatives into this position. If the talks, however, are broken off, the responsibility should clearly lie with the enemy.

In this connection concern is felt over repeated public references by Admiral Joy and others to the finality of the package proposal which was put to the Communist delegation on April 28th. It will be recalled that the original draft of the public statement issued by General Ridgway on May 6th referred to the proposal as "final and absolute", and that this was modified after representations had been made by the Canadian and other governments that less restrictive language should be used. Furthermore, on May 2nd the Canadian Embassy was informed by the State Department that instructions had been sent to the United Nations Command that its representatives should refrain from making frequent use of such words as "final" and "irrevocable" during the negotiations. Since then, however, a number of reports have appeared in the press on various dates quoting statements by Admiral Joy about the finality of the offer. For example, an Associated Press despatch from Munsan of May 14th quotes him as saying in an open session at Panmunjom, "There is one fact that you are not willing to face or do not understand: the United Nations Command's compromise proposal is firm, final and irrevocable." It would appear that not a great deal of attention has been paid by the United Nations negotiators to the instructions that frequent use should not be made of language such as this. Its reiteration might well create the impression that the United Nations side is preparing the public for breaking off the talks altogether, and has for that purpose presented the Communists with an ultimatum.

It can be understood that in the course of the extremely difficult negotiations with the Communists the U.N. negotiators may find it desirable at times to emphasize in private that their offer is not susceptible to bargaining. It is a different thing, however, to repeat this frequently in public statements, especially in view of the opinions which have been expressed by the Canadian and some other governments.

If the armistice talks remain deadlocked or even if they are completely broken off, the Canadian Government considers that it would not be wise for the United Nations forces to take the initiative in resorting to more active operations on the ground. The present military situation, which approaches for the ground forces a *de facto* cease-fire, is considered to be preferable to a renewal of larger scale operations. Several months ago arguments were advanced that continuous ground action was necessary to keep the enemy off balance and unable to launch an attack, and that active operations were necessary to maintain the morale of the United Nations troops. This estimate seems to be no longer valid, since on the one hand the enemy is now considered to be in a position to launch an offensive if he so desires, and on the other hand the morale of the United Nations troops appears to have been sustained even though offensive operations on a scale larger than patrols have been discontinued for a considerable time. Should there be an indefinite stalemate in Korea, the problem of morale for the troops might well become serious, but a renewal of more active fighting merely for tactical advances might itself add to this problem.

In any case the Canadian Government could not agree to the undertaking of a major offensive by the United Nations forces without prior consultation on the political level in time to permit Canadian views to be seriously considered.

Parliamentary and public opinion in Canada and elsewhere is obviously being influenced by the diminished prospects for an armistice, by the recent deplorable incidents on Koje Island, and especially by concern about the future course of operations if no armistice is concluded. It is therefore particularly important in the present situation in Korea that there should be frequent consultation between the Government of the United States and other governments mainly concerned in the Korean operations, and that consultation should take place at as early a stage as possible before proposals for new initiatives have begun to harden into decisions.

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117. DEA/50069-A-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-1391 Washington, May 22, 1952

SECRET

PROBLEMS CONNECTED WITH THE WAR IN KOREA

Reference: My despatch 1196 of May 21st.

1. I left with Messrs. Hickerson and Johnson yesterday afternoon the informal memorandum enclosed with my despatch, and had a lengthy conversation with them.

2. They repeated the assurances previously given that there is no present discussion or thought of breaking off the armistice negotiations. Certainly there would be no question of the negotiations being broken off by the United Nations side without prior consultation with governments concerned, and

General Clark had no authority to terminate the negotiations without approval of Washington.

3. They drew a clear distinction, however, between breaking off the negotiations and suspending them for a period. Admiral Joy has expressed the strong opinion that indefinite continuation of the type of meetings now taking place is undesirable tactically — a view with which it is easy to agree. He had recommended that the United Nations Command should suspend the discussions on the understanding that they would be prepared at any time to resume sessions when the Communists should have something constructive to propose or in order further to explain the package proposal. The State Department considers that the Communists are improving their propaganda position during the present plenary sessions at which matters of substance are not being discussed. They have been greatly assisted by the Koje incidents, and they are able to give free rein to their fancy, while the United Nations spokesmen must adhere to the facts.

4. Apart from the propaganda aspects, the State Department appears to favour suspension of the discussions in an endeavour to remove any possible thought in the minds of the Communists that the United Nations Command might recede from its position on the package proposal. Hickerson recalled how the Communists maintained adamantly for months that they could not abandon their demands for the 38th Parallel as a military demarcation line, although subsequently they did so. He suggested they might now be hoping for a similar eventual retreat on the part of the United Nations Command with regard to the package proposal.

5. I emphasized the objections to Admiral Joy's repeated public use of language indicating the finality of the United Nations proposal. The State Department officials did not seem very receptive on this point. I infer that there may have been a change of mind about it and there are doubts whether the use of such language is objectionable as a matter of tactics in present circumstances.

6. Hickerson and Johnson said that no consideration is now being given to the expansion of military ground action on United Nations initiative, but they wondered for how long it would be feasible for the situation to remain entirely static. The prime objective of the United States, as of its Allies, is to achieve an armistice. The enemy is now under less pressure to agree to an armistice. What sort of pressure could be brought upon the enemy without widening the scope of the war or resuming active ground operations, both of which are objectionable? Hickerson said that any suggestions or advice which the Canadian or other governments might offer the United States would be very welcome.

7. This brought us to the subject of consultation. I made the point that the present precarious and ambiguous situation in Korea required close consultation. As an example, I mentioned that the screening in April of the prisoners had resulted in a much smaller figure of those desiring to be repatriated than had been expected, and that this altered the character of the package proposal; insufficient time had been left for other governments to consider this change in

the prospects of Communist acceptance before the proposal was put to the Communists.

8. Hickerson and Johnson not only agreed on the necessity for close consultation but repeated that they would be more than glad to receive assistance and advice from other United Nations Governments. I suggested that it might be useful for the United States to take the initiative in requesting the views of its chief allies. This idea seemed to appeal to Hickerson. I asked whether General Clark, as the new United Nations Commander, would make an appraisal of the situation in Korea and suggested that the receipt of such a report might afford a suitable opportunity for inter-governmental consultations. Hickerson said that General Clark would proceed to Korea soon to examine the situation; he hazarded the opinion that the General's report, expected within ten days or so, would concern itself for the most part with the armistice negotiations, as there did not seem to be much to say on the military side. He expects that Clark will confirm Joy's recommendation that the United Nations Command should extricate itself from the daily propaganda sessions and bring about suspension of the meetings until the Communists were willing to enter into substantive discussions.

9. Summing up the position, Hickerson said that we have now arrived at an impasse. What was wanted was to achieve an armistice. What could be done to lead the Communists to accept the minimum United Nations terms? No solution has yet been found to these problems. The only concrete suggestion that Hickerson or Johnson could make was that the application of stringent economic and financial measures against China might help. I said that I doubted whether such measures were practicable and whether they would be effective within a reasonable period of time.

10. Recalling the proposal that Communist prisoners might be re-screened before conclusion of an armistice, I suggested that it might be wise for the United Nations side to take the initiative in having such re-screening carried out now by non-Americans, in order to strengthen before the public the United Nations position on repatriation and to counter effectively the Communist charge that the screening was "phoney". This suggestion was not enthusiastically received but was not rejected. They pointed out that the Communists were not objecting to the method of screening but were rejecting the idea of screening altogether. Nevertheless, they admitted the propaganda value of neutral re-screening. They said that the International Red Cross would be unwilling to conduct the operation unless invited by both sides. They did, however, enter into a discussion on the possibility of re-screening being carried out by representatives of such nations as India, Pakistan, Sweden and Switzerland. I have learned that later yesterday the British Embassy repeated to the State Department the re-screening proposal on instructions from the Foreign Office.

118. DEA/50069-A-40

Note du sous-secrétaire d'État aux Affaires extérieures
pour le secrétaire d'État aux Affaires extérieures

Memorandum from Under-Secretary of State for External Affairs
to Secretary of State for External Affairs

SECRET Ottawa, June 11, 1952

THE WAR IN KOREA: POST-ARMISTICE DECLARATION

Mr. Bliss of the United States Embassy called on Mr. Norman on June 10 to outline the procedure currently proposed by the United States in handling the Declaration which we have agreed should be issued after an Armistice is concluded in Korea. The proposed procedure is slightly different from that we have already agreed upon but basically there is little change. The procedure outlined by Mr. Bliss is as follows: [General Clark would report immediately on the signature of the Armistice and within twenty-four hours the heads of mission in Washington of the countries issuing the Declaration would meet in the State Department to sign the Declaration. As soon as it had been signed, the text of the Declaration would be made public simultaneously in Washington and the other capitals concerned. At the same time, the United States would transmit the text of the statement to the Secretary General under a note in the following general terms:

The representative of the United States to the United Nations has the honour to transmit to the Secretary General for his information a copy of a statement issued today in Washington. Similar statements were issued today in the capitals of those nations whose forces are participating in the United Nations action in Korea.]

2. It is not certain that this would be the exact wording. Mr. Bliss said that he knew of no objection to other countries similarly transmitting the Declaration on their own behalf if they wished to do so. We have been informed separately that the United Kingdom government will probably transmit the Declaration to the Secretary General in this manner.

3. The only new factor in this proposed procedure is that action would be taken to sign the Declaration within twenty-four hours instead of within forty-eight as previously agreed. Mr. Bliss asked to be informed whether this procedure is agreeable to the Canadian Government. I can see no objection that we could now raise and if you agree, I shall inform Mr. Bliss that we do not object to the procedure he has outlined.[24]

4. I should be grateful to know whether you would wish the Canadian representative in New York to transmit a copy of the Declaration to the Secretary General in the same manner as the representatives of the United States and the United Kingdom. For your convenience, I attach a copy of the

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[24] Note marginale :/Marginal note:
agreed. L.B. P[earson]

agreed wording of the Declaration, to which, incidentally, Mr. Bliss consistently referred to as the "Greater Sanctions Agreement".[25]

E. R[EID]
for L.D. W[ilgress]

[PIÈCE JOINTE/ENCLOSURE]

Déclaration d'armistice

Declaration of Armistice

We the United Nations members whose military forces are participating in the Korean action support the decision of the Commander-in-Chief of the United Nations Command to conclude an armistice agreement. We hereby affirm our determination fully and faithfully to carry out the terms of that armistice. We expect that the other parties to the agreement will likewise scrupulously observe its terms.

The task ahead is not an easy one. We will support the efforts of the United Nations to bring about an equitable settlement in Korea based on the principles which have long been established by the United Nations, and which call for a united, independent and democratic Korea. We will support the United Nations in its efforts to assist the people of Korea in repairing the ravages of war.

We declare again our faith in the principles and purposes of the United Nations, our consciousness of our continuing responsibilities in Korea, and our determination in good faith to seek a settlement of the Korean problem. We affirm, in the interests of world peace, that if there is a renewal of the armed attack, challenging again the principles of the United Nations, we should again be united and prompt to resist. The consequences of such a breach of the armistice would be so grave that, in all probability it would not be possible to confine hostilities within the frontiers of Korea.

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119. DEA/50069-A-40

Note du sous-secrétaire d'État aux Affaires extérieures pour le secrétaire d'État aux Affaires extérieures

Memorandum from Under-Secretary of State for External Affairs to Secretary of State for External Affairs

SECRET Ottawa, June 14, 1952

KOREAN ARMISTICE NEGOTIATIONS: EXCHANGE OF PRISONERS OF WAR

There are now four sets of proposals before us about rescreening prisoners of war. They are:

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[25] Note Marginale :/Marginal note:
yes.

(a) The suggestion put forward in the Department on June 3 which would have the armistice agreement not cover repatriation of prisoners but bind both parties to release all prisoners when further negotiations make such release possible, bind both parties to put the supervision of the prisoners they hold under some neutral power agreeable to both, and bind both parties to continue to negotiate for the release of prisoners either separately or in the general post-armistice conference contemplated under Item 5 and already agreed to.

(b) An Australian proposal contained in telegram No. 93 of June 4 from the Department of External Affairs in Canberra to the Australian High Commissioner in Ottawa.† Copy of this telegram is attached. The Australian proposal calls for an initial offer of an impartial screening of the prisoners we hold possibly followed by an offer of impartial screening of the prisoners held by both sides.

(c) An Anglo-Indian proposal contained in telegram Z-46 of June 7 from the Secretary of State for Commonwealth Relations to the Acting High Commissioner for the United Kingdom in Ottawa.† The Anglo-Indian proposal is not very different from the Departmental proposal except that it does not require the use of a neutral country to supervise the camps.

(d) A suggestion made by Walter Lippmann in a syndicated article which would require a distinction to be drawn between prisoners who do not want to be repatriated for reasons of personal advantage and prisoners who do not want to be repatriated because they require political asylum. This suggestion of course implies a rescreening and a rescreening on a very different basis from the original screening which he has criticised.

2. I would suggest that until Mr. Wrong has had an opportunity to have the discussions which he outlined in telegram WA-1590 (copy attached),† we should not try to make up our minds on the best course to follow. It might also be profitable to enquire from New Delhi what further information can be obtained about Panikkar's interview with the Chinese Vice Minister of Foreign Affairs concerning the Anglo-Indian proposal.

3. In the meantime, there are certain considerations which we might hold in mind:

(a) Public opinion in the west almost certainly requires that there should be some sort of rescreening to dispose of fears that the original screening was hopelessly prejudiced. The Australians inform us that the United States has come a considerable distance towards being willing to agree to a rescreening.[26]

(b) The United States has indicated that it is unwilling to consider a proposal which would involve screening the 12,000 U.N. prisoners to see which of them do not want to be repatriated.[27]

(c) Against this, however, it may be urged that if we insist on a screening only of the prisoners we hold, the enemy will hold some sort of screening of their own which will result in some of the U.N. prisoners not being returned. It would be better from our point of view as the Australians point out if we could prevent a unilateral screening of U.N. prisoners in enemy hands.[28]

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[26] Note marginale :/Marginal note:
This, I think, important.

[27] Note marginale :/Marginal note:
why not if it is done by a neutral agency.

(d) An objective test of the willingness of prisoners to return to communist control will probably be necessary. Whether this test can be carried out by questioning as Walter Lippmann thinks, or by a physical test as the Australians imply, is a matter which will have to be decided.

(e) With the small number of Canadian prisoners who are in enemy hands, we must be careful not to urge too strongly on the Americans any course which would result in a feeling that we had urged them to make sacrifices which we did not feel.[29]

E. R[EID]
for L.D. W[ilgress]

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120. DEA/50069-A-40

Note du sous-secrétaire d'État aux Affaires extérieures pour le secrétaire d'État aux Affaires extérieures

Memorandum from Under-Secretary of State for External Affairs to Secretary of State for External Affairs

SECRET Ottawa, June 18, 1952

KOREAN ARMISTICE NEGOTIATIONS: QUESTION OF PRISONERS OF WAR

You will recall that on June 14 I sent you a memorandum outlining briefly the various proposals which had been put forward for dealing with the question of prisoners of war. A new and more promising idea has now reached us from the Chinese themselves.

Attached are copies of telegrams Y-239† and 240† of June 18 from the Commonwealth Relations Office to the Acting United Kingdom High Commissioner. The first of these telegrams outlines two alternative schemes put forward by Foreign Minister, Chou En-lai. The suggestion for a straight exchange based on 20,000 Chinese prisoners plus an uncertain number of North Koreans would be impossible for the United Nations Command to accept. The second proposal, however, for a neutral screening appears to be the most hopeful we have had yet. I think that we should lose no time in indicating to the United States that we hope that they will agree that the United

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[28] Note marginale :/Marginal note:
I agree.

[29] Note marginale :/Marginal note:
I agree with (e). We should give our views if requested — if and when we volunteer them, we should be careful not to press them on the Americans.

Kingdom should encourage the Indians to pursue this suggestion further with the Chinese Government.[30]

E. R[EID]
for L.D. W[ilgress]

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121. DEA/50069-A-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis

Secretary of State for External Affairs
to Ambassador in United States

TELEGRAM EX-1426 Ottawa, June 26, 1952

KOREAN ARMISTICE NEGOTIATIONS: CHINESE PROPOSALS

Reference: My EX-1366 and 1367 of June 18.† (London reference, my 1243 and 1244 of June 18)†

We learn from the Office of the United Kingdom High Commissioner here that the State Department has encouraged the United Kingdom to encourage the Indians to pursue further the second proposal made by Chou En-lai to Panikkar[31] on June 15. We are also informed that United Kingdom government obtained the consent of the State Department before telling us about the State Department's reaction. It would, therefore, be in order for you, whenever you judge the time appropriate, to let the State Department know that we are happy that they have taken this action. The second Chinese proposal referred to in fact appears to concede to the United Nations side just about everything we want, while providing a way for the Chinese not to have to give in publicly. Hickerson told the British how much he appreciated the need for secrecy, so it is obvious that the State Department understands the need to do nothing which will make the Chinese lose face.

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122. DEA/50069-A-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-1711 Washington, June 27, 1952

SECRET

KOREAN ARMISTICE NEGOTIATIONS: CHINESE PROPOSALS

Reference: Your EX-1426 of June 26th.

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[30] Note marginale :/Marginal note:
yes — and we might have a word with Alexander about it. [L.B. Pearson]

[31] K.M. Panikkar, ambassadeur de l'Inde auprès de la République populaire de Chine.
K.M. Panikkar, Ambassador of India in People's Republic of China.

I have already had a conversation with Hickerson along these lines, in which he informed me of the encouragement given by the State Department to further exploration of the second suggestion made to Panikkar. The only additional point he added was that they had considered in the State Department whether further discussions with the Chinese could be undertaken through a different channel, possibly Lamb[32] in Peking. Panikkar, he said, has left Peking, and the Indian Embassy is under a Charge d'Affaires. They decided, however, that the same channel should be used. Please pass to me any further information you may receive from London or New Delhi.

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123. DEA/50069-A-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-1823 Washington, July 11, 1952

TOP SECRET. IMPORTANT.

KOREA — ARMISTICE NEGOTIATIONS

Reference: WA-1767 of July 3rd.†

1. Before today's regular meeting at the State Department, embassies of Commonwealth governments participating in the Korean war were given some information about UNC tactics for armistice negotiations by McClurkin, Acting Director of Office of Northeast Asian Affairs.

2. General Clark recommended to Washington that the Communist delegates should be informed of the revised figure of approximately 83,000 prisoners to be repatriated, with emphasis being placed upon the impartial and careful manner in which the figure was arrived at. Clark would suggest to the Communists that a date be set for the exchange of revised POW lists, with August 1st as a possible date. He would reiterate the willingness of the UNC to permit checking of the revised lists by a mutually satisfactory and impartial organization, if the Communists would accept the figure of 83,000. If the Communists would not accept the figure, he would request that they make further proposals for the solution of the problem. Clark also recommended that, if no progress were made in this way Harrison should at an appropriate time put to the Communists a proposal similar to point (b) of the Chou En-lai proposals reportedly made to Panikkar, seeking to modify the language of paragraphs 51 and 52 of the draft armistice agreement accordingly.

3. Washington replied to Clark expressing doubt about the wisdom of revealing the 83,000 figure at this time and stating that the recommendation made in the latter part of Clark's message was under consideration.

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[32] L.H. Lamb, chargé d'affaires du Royaume-Uni auprès de la République populaire de Chine.
L.H. Lamb, Chargé d'Affaires of United Kingdom in People's Republic of China.

4. Clark and Harrison then both sent a message to Washington repeating that in their opinion the figure of 83,000 should be given to the Communists for the following reasons:

(I) It represents a considerable increase over the previous figure of 70,000.

(II) Communist intelligence has probably reported the new figure, in which case the UNC delegation might be embarrassed by being charged with concealing facts.

It is probable that Harrison will be authorized to give the 83,000 figure to the Communist delegation.

5. General Clark's recommendation that he should be authorized, at an appropriate time, to make to the Communists a proposal similar to point (b) of the Chou En-lai proposals has been discussed with the Joint Chiefs of Staff. General Lawton Collins,[33] Chief of the Army, who left Washington today for the Far East on a routine inspection journey planned some time ago, will discuss this matter with Generals Clark and Harrison and send a report back to Washington giving his opinion. It seemed apparent from McClurkin's remarks that initial reaction in the State Department is not unfavourable towards the possibility of authorizing Harrison to make a proposal of this nature even without waiting for further clarification from Peiping of the Chou En-lai-Panikkar conversations. It is probable that a decision on the matter will be made in the early part of next week. McClurkin said that the State Department would welcome any views and suggestions which Commonwealth governments might care to offer on tactics to be followed at Panmunjom.

124. DEA/50069-A-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis

Secretary of State for External Affairs
to Ambassador in United States

TELEGRAM EX-1557 Ottawa, July 16, 1952

TOP SECRET

KOREA: ARMISTICE NEGOTIATIONS

Reference: Your WA-1823 of July 11.

1. In view of the considerations outlined in paragraph 4 of your telegram under reference, we would agree that there is more chance of advantage in releasing the new figure of 83,000 as available for repatriation. On the second question concerning the Chinese proposal received through the Indians, the following is an outline of our views, the substance of which you may communicate to the State Department.

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[33] Le chef d'état-major de l'Armée des États-Unis.
Chief of Staff, United States Army.

2. In view of the rather confusing way in which we have heard of Chou En-lai's second proposal, it might be wise to state that the following is the text as it was communicated to us by the United Kingdom:

> Alternatively (a) The United Nations Command would accept in principle that all prisoners on the conclusion of an armistice should go back to their homes: and (b) those who showed a disinclination to being repatriated could be brought to Panmunjom but *not* under military escort and interviewed there by a committee of neutral personnel from "the four neutral states agreed upon" and the Red Cross of both sides. The Chinese and North Korean Governments would be prepared to abide by the views expressed at this interview.

We take *all* the foregoing to be what the State Department refers to as Chou En-lai's proposal (b).

3. After thinking this proposal over, we have come to the conclusion that it presents a fairly good chance of providing ground for a settlement. Part (a) gives the appearance of conceding to the communists what they have demanded. Part (b) gives us the substance of what we want. The way in which this might be accomplished could be by having the prisoners literally "return to their own side" by the very act of going to Panmunjom, under part (a), and by letting those who did not want to be repatriated return (or desert, depending on one's point of view) to the side which had captured them, under part (b). This idea may well have lain behind Major-General Harrison's suggested reclassification of certain prisoners, referred to in your WA-1825.†

4. We understand from the United Kingdom that Hickerson gave the United Kingdom Embassy a written comment on Chou En-lai's proposal in the following words:

> The alternative proposal (b) . . . which Chou En-lai is reported to have offered as a possibility for breaking the deadlock in the armistice negotiations is interesting and would seem to offer possibilities for progress. There are however a number of points in regard to this proposal which require clarification and elaboration. It would be desirable to know what channel or machinery would in Chou En-lai's view be appropriate for such clarification and elaboration.

5. It is our understanding that the Indians were to be asked to convey this comment to the Chinese as if it came from the United Kingdom without revealing (or possibly even knowing) its American origin. What we are not sure of is whether this comment was in fact passed to the Chinese or whether transmission of it has been held up by Menon's desire to intervene personally as a peacemaker or by the absence of an Indian Ambassador from Peking. It would be unfortunate if, for either of these reasons, the Indians have not conveyed the American comment, as the Chinese may now think that the only answer to their proposal has been the bombing of the Yalu power stations and Pyongyang.

6. The opportunity afforded by the Chinese offer is sufficiently important that we should take great care to take full advantage of it. At the same time, we should proceed carefully even though this will consume more time and

require great patience. Instead of the action suggested in paragraph 5 of your WA-1823, we would hope that steps could be taken to make sure that the Chinese received the comment prepared by the State Department. If there is difficulty over the absence of an Indian Ambassador from Peking, perhaps the United States could ask the United Kingdom to ask the Indians to expedite the dispatch of their new Ambassador. I suggest this because it would be too obvious an initiative either to take action through a new channel or to send a special mission to Peking. The main difficulty as we see it about having Major-General Harrison himself put forward Chou En-lai's proposal appears to us to be that the communists and especially the Chinese may so value their *amour-propre* that they may be put off by having somebody appear to steal their thunder. If they can be left, in their own minds at least, with the credit for proposing a solution to the deadlock, it will be well worth our while to let them have the shadow of victory in return for the substance of armistice.

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125. DEA/50069-A-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-1875 Washington, July 18, 1952

TOP SECRET

KOREAN ARMISTICE NEGOTIATIONS

1. The State Department informed us about a cryptic preliminary report received at the Pentagon on the resumption of secret plenary session on July 18th. The event was disappointing. The Communists:

(i) Rejected the new figure of 83,000 prisoners to be repatriated;

(ii) Repeated their proposal for reclassification of prisoners according to nationalities and areas;

(iii) Returned to an overall figure of 116,000 prisoners to be repatriated (as compared to the figure of 110,000 they gave on July 13th). The UNC delegation repeated its position on the repatriation issue and agreed to another session on July 19th.

2. It is difficult to know what to make of this somewhat retrograde position taken by the Communists. The State Department do not appear to be unduly pessimistic however. McClurkin, who gave us the information, even speculated that the Communists might be waiting for the UNC delegation to make a proposal along the line of the second proposal B of the Chou En-lai proposals made to Panikkar. (With regard to para. 6 of EX-1557, you will have seen from WA-1865 of July 17† that Krishna Menon told Selwyn Lloyd that it was important that proposal B should not be represented as having come from the Chinese.)

3. The State Department have not come to a definite conclusion on what is to be taken from the apparent *volte-face* of the Chinese as indicated in the Chinese Foreign Office note of July 14 to the Indian Embassy. They would, I think, agree that any of the interpretations offered in para. 3 of EX-1565[†] might be correct. Allison has suggested that perhaps Chou En-lai might have gone beyond his authority in his conversations with Panikkar and have been overruled by Mao.

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126. DEA/50069-A-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-1912 Washington, July 23, 1952

SECRET

KOREA — STATE DEPARTMENT MEETING OF JULY 22ND[†]

Addressed External Ottawa WA-1912, repeated Permdel New York No. 265.

No progress has been made in resolving the deadlock in the armistice negotiations resulting from Communist insistence on the repatriation of all Chinese prisoners. Both sides have merely re-stated their position on this question during recent brief meetings. Secret plenary sessions are still being scheduled and we gather from conversation with State Department officials that the UNC delegation are disposed to carry on with them for a while, if the Communists continue to request them, in the hope that the latter might make some move towards breaking the deadlock.

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127. DEA/50069-A-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-2052 Washington, August 12, 1952

CONFIDENTIAL

KOREA — STATE DEPARTMENT MEETING OF AUGUST 12

Addressed External Ottawa WA-2052 repeated to Permdel New York as No. 284.

Nothing new on the prisoners-of-war issue was said at the plenary delegation meeting on August 11. Harrison proposed a recess until August 19.

Nam Il[34] agreed, after protesting that the UNC was obstructing an armistice by refusing to negotiate at the conference table and by attempting to exert military pressure through "wanton and indiscriminate bombing", tactics which would result in "miserable defeat".

2. Hickerson said that the State Department were now looking to the probability that the General Assembly would convene in October with the armistice discussions in the same sort of stalemated position which now exists. He expressed the opinion that, if this be so "our side" should raise the Korean question in the Assembly rather than leave the initiative to the Soviet. The State Department would like to know whether the Canadian and other governments participating in the Korean action agree with this opinion.

3. Hickerson urged the necessity of "Allied" governments co-ordinating plans for dealing with the Korean question in the General Assembly. He indicated we might expect to receive before long an official level working paper containing proposals for handling the Korean question. It seems probable that the United States proposals might be along the lines of those mentioned in our message WA-1928 of July 24,† para. 4, and para. 2(d) of Spender's telegram which was reported in our message WA-1927 of July 24.†

4. You will probably wish to give consideration to the Canadian attitude on how the Korean question should be handled in the General Assembly, in the light of the hints we have had of the State Department thinking in this matter. We understand that the British Embassy have suggested to London that the Foreign Office may wish to anticipate American proposals by presenting views of their own first.

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128. DEA/50069-A-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-2072 Washington, August 15, 1952

SECRET

KOREA AND GENERAL ASSEMBLY

Addressed Ottawa WA-2072, repeat New York No. 288.

The State Department working paper referred to in paras. 3 and 4 of our message WA-2052 of August 12 was handed yesterday afternoon by Hickerson and Alexis Johnson to representatives of British, French, Australian, New Zealand, South African and Canadian Embassies. Following is text of the paper:

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[34] Le lieutenant-colonel Nam Il de l'Armée populaire de la Corée, délégué principal de la délégation nord-coréenne et chinoise aux négociations en vue de l'armistice.

Lt. Colonel Nam Il, Korean People's Army; Chief Delegate of North Korean and Chinese Delegation to the Armistice negotiations.

Korea: United Nations General Assembly action in the event of continued inconclusive armistice negotiations.

Recommendations

1. The General Assembly should take action early in the seventh session along the following lines:

(a) The first step should be to seek passage of a General Assembly resolution which would:

(i) Express the full support of the General Assembly for the gallant efforts of the United Nations troops in Korea;

(ii) Express full confidence in and approval of the conduct of the Armistice negotiations by the United Nations command;

(iii) Approve the position taken by the United Nations command in regard to the question of repatriation of prisoners of war and call upon the North Korean and Chinese Communist authorities to accept an honourable armistice which recognizes the principle of non-forcible repatriation;

(iv) Request the President of the General Assembly to transmit this resolution to the North Korean and Chinese Communist authorities and to report to the General Assembly within——-days on any reply received or on the absence of such a reply.

(b) Upon receipt of a negative report from the President of the General Assembly, the Additional Measures Committee should meet immediately for the purpose of recommending additional measures to the General Assembly. The Additional Measures Committee should recommend the imposition of a total embargo. (For detailed recommendations see annex.)

(c) After the Additional Measures Committee has made its recommendation to the General Assembly, the assembly should adopt a resolution which:

(i) Condemns the aggressors in Korea for their continued refusal to accept an honourable armistice in accordance with United Nations principles;

(ii) Reaffirms the determination of the United Nations to continue its action in Korea to meet the aggression and to restore international peace and security in the area;

(iii) Urges upon all states the need to increase and intensify assistance to the United Nations action in Korea and in particular to contribute additional forces to the Unified Command;

(iv) Calls upon all states and authorities to refrain from giving any further assistance to the aggressors in Korea;

(v) Recommends that all states sever, limit or refuse to enter into diplomatic relations with the aggressors in Korea;

(vi) Approves the report and recommendations of the Additional Measures Committee;

(vii) Recommends that all states take the following action recommended by the Additional Measures Committee. (For detailed recommendations see annex 1.)

(viii) Requests that member states and other cooperating states report to the Additional Measures Committee within 30 days on measures taken to implement the present resolution;

(ix) Directs the Additional Measures Committee to report to the General Assembly with recommendations as appropriate, and, at its discretion when the General Assembly is not in session, to the members, on the manner in which these states are implementing the measures recommended;

(x) Reaffirms that it continues to be the policy of the United Nations to bring about a cessation of hostilities in Korea in accordance with United Nations principles and the achievement of United Nations objectives in Korea by peaceful means.

2. Obviously an agreement should be reached on the plan outlined in recommendation 1 above in its entirety before General Assembly consideration of the first phase of that plan.

3. If at the time of the opening of the seventh session there are clear and immediate prospects of agreement upon an armistice in the immediate future and negotiations are at such a stage that discussion in the General Assembly might prejudice the outcome, the General Assembly should postpone the consideration of the Korean question until a more propitious time.

Annex 1

Recommendations for action by AMC on economic embargo. The General Assembly might recommend that every state prohibit all direct or indirect exports, re-exports, trans-shipments to, and imports from, Communist China and North Korea, and impose the following ancillary controls:

(1) Prohibit vessels and aircraft of its registry from proceeding to Communist China or North Korea.

(2) Prohibit the use of free ports within its territorial jurisdiction for the trans-shipment of any goods to or from Communist China or North Korea.

(3) Prohibit the sale or charter of vessels and aircraft to the Chinese Communist regime or to the North Korean authorities, or to their nationals, or to any person or entity acting for them.

(4) Deny bunkering and port facilities to vessels owned or controlled by Chinese Communists or North Koreans, and to vessels of any nationality believed to be proceeding to or from Communist China or North Korean ports.

(5) Prohibit the insurance or reinsurance within its territorial jurisdiction of vessels included in paragraph 4, and of all cargoes destined to or proceeding from Communist China or North Korea.

(6) Block all assets and sterilize all gold resources of the Communist Chinese and North Korean regimes and of persons subject to their control; suspend all payments to these regimes or to persons subject to their control; prohibit loans, credits, and capital flotations likely to benefit these regimes or persons subject to their control.

2. My immediately following teletype refers.

129. DEA/50069-A-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-2073 Washington, August 15, 1952

SECRET

KOREA AND GENERAL ASSEMBLY

Reference: My immediately preceding teletype.

Addressed External Ottawa WA-2073 repeated Permdel as No. 289.

Hickerson said that it appeared that one of three situations with regard to Korea might exist when the General Assembly opened in October:

(1) The Communists might embark on a military offensive. This was not now considered likely;

(2) Armistice might be concluded. Governments participating in the Korean war have already consulted about the course to be followed in this event. The State Department, however, preparing a revised working paper dealing with this eventuality, which will shortly be transmitted to us;

(3) Continuance of a situation similar to the present stalemate. The State Department considered this to be the most likely and the working paper (referred to in WA-2072) constituted proposals for action which the State Department thought should be taken in this event.

2. Hickerson emphasized that it was a working paper and as such did not represent a final, firm position of the United States Government. It was the result of much earnest thought in the State Department, a joint production of the Bureau of Far Eastern Affairs and United Nations Affairs. Hickerson said the Secretary of State had not yet been asked to give his approval to the paper but he had a general knowledge of its contents.

3. The purpose of transmitting the paper to certain friendly governments at this stage was to provide for prior consultation with an "inner circle" before the United States should reach a final position. The only governments being informed about the paper at this time are those mentioned in WA-2072. The State Department wish to ascertain the views of these governments on the paper before transmitting it to the governments of all countries participating in the Korean action and possibly some other governments. Hickerson said that the State Department would like to receive as soon as possible the views and suggestions of the six governments concerned on the working paper.

4. Hickerson drew attention to paragraph 3 of the paper, which states that if at the time of the opening of the General Assembly session there are clear and immediate prospects of agreement on an armistice, consideration of the Korean question by the General Assembly should be postponed. He repeated, however, that if the present stalemate continued when the Assembly opened "Allied

Governments" should take the initiative in bringing the Korean question before the Assembly to prevent the Soviet Union from doing so. The initiative should be taken by having the Korean question placed on the agenda at the outset and getting it discussed immediately.

5. Referring to Annex 1 of the paper (recommendations for action by AMC on economic embargo) Hickerson thought that the Additional Measures Committee should hold previous consultations to decide what measures should be recommended in the event that the Additional Measures Committee should have to meet in the circumstances envisaged in paragraph 1(b) of the paper. Hickerson pointed out that all measures recommended in Annex 1 are already being carried out by the United States. He thought that other countries participating in the Korean war should be prepared to take similar action if the Communists have not concluded an armistice by October. He thought that these actions were the least that could be done in bringing additional pressure upon the Chinese. They did not represent a widening of military action. Alexis Johnson, who takes a somewhat less pessimistic view than Hickerson of the possibility of an armistice, said he thought that, so far as the Chinese were concerned, the balance between agreeing or not agreeing to an armistice might be very fine. The additional measures proposed by the State Department would not be conclusive in themselves but, if the cost to the Chinese of not agreeing to an armistice could be increased somewhat, it might help to tip the scales in favour of an armistice. He suggested the cumulative effect might be important, in the endeavour to find the point where the Chinese might be induced to stop fighting.

6. In informal comment when handed the Working Paper the British Embassy made the observation that, in contemplating additional measures against China, it would be necessary for the United Kingdom Government to bear in mind the position of Hong Kong. We said we assumed that the Paper's recommendations on economic embargo did not envisage their implementation by naval blockade. Hickerson said this assumption was correct.

7. The Australians, referring to paragraph 1(c) iii of the Paper, commented that emphasis should be placed upon those States which had yet made no contributions to the United Nations effort in Korea. Hickerson said the language of the Paper was not final and he agreed that such an emphasis would be desirable. The Australians also suggested, with regard to paragraph 1(a) III of the Paper that specific reference to the principle of non-forcible repatriation would be unwise and some more general phraseology would probably be preferable.

8. We should be grateful to receive as soon as possible, for transmission to the State Department, your views on the Working Paper contained in our message WA-2072 of August 15.

130. DEA/50069-A-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis

Secretary of State for External Affairs
to Ambassador in United States

TELEGRAM EX-1759 Ottawa, August 28, 1952

SECRET

ACTION ON KOREA IN THE GENERAL ASSEMBLY

Reference: Your telegrams WA-2072 and 2073 of August 15.

On the basis of earlier telegrams from you reporting on United States thinking about the action to be taken in the United Nations if no armistice was achieved in Korea, we had been considering what could be done. We had come to the conclusion that there is little the General Assembly can do to bring about a settlement in Korea, but that there are three possible courses of action.

2. The first of these would be to suggest to the General Assembly that it should take no further action for the time being and that the armistice teams should be allowed to continue to try to reach agreement. This is probably the safest course in that it does nothing to provoke the enemy either into breaking off the negotiations or into launching fresh offensives. The principal disadvantage is that this course lacks public appeal and is, therefore, difficult for the United States Government and, to a lesser extent for our own Government, to present to a public which is disillusioned about the situation in Korea and longing for some clear-cut solution.

3. The second possible course would be to do something along the lines of the Soviet Union suggestion at the Sixth Session of the General Assembly to take the negotiations of the armistice out of military hands. Canada opposed the Soviet proposal on the ground that such interference might complicate rather than simplify the negotiations. This objection is probably still valid because of such political problems as representation of China and North Korea which this course of action would introduce. Moreover — though this is not a really serious practical objection — the United Nations would by this course be required to reverse the decision of the Political Committee taken January 13, 1951, approving the five points in the Supplementary Report of the Cease-Fire Group. The advantage of this course is that it at least provides the appearance of taking positive action of some sort without at the same time creating the danger of expanding the war.

4. The third possible course would be to attempt to bring about an armistice by exerting various forms of pressure on the enemy of the type outlined in your two telegrams under reference. As you yourself said, however, in commenting on this proposal when it was first broached, it would call on those members of the United Nations which have recognized the Peking Government to withdraw their recognition, and its effectiveness would depend on securing the support of all countries with trading relations with China, including India and

the United Kingdom. You also noted, that, even with this support, the influence of such a policy on Chinese military capacity would be felt only over a long period, while the immediate dependence of China on the Soviet Union would be increased.

5. So far we have not had any evidence to support the thesis (your telegram WA-2073, paragraph 5), that pressure of this sort will influence the communists along the lines we want. Condemnation in the resolution of February 1, 1951, did not make the communists more amenable about the Good Offices Committee. The bombing of the Yalu and other power installations did not make the communists more agreeable on prisoners of war; indeed it may have led to the withdrawal of Chou En-lai's second proposal. Proposals for further acts approaching those appropriate to full-scale war amount to a return to the old policy — which we thought the State Department had abandoned — of "teaching the Chinese the high cost of living with the Russians". In our view, public pressure has the effect of making the communists more stiff-necked and more determined to follow whatever course they have embarked upon. We are therefore inclined to discount heavily the suggestion that action of the sort contemplated in the State Department working paper will have any favourable effect on the armistice negotiations.

6. There is the further point that it is unlikely that any such proposals would get the support of the Asian members of the United Nations and might in fact lead to consequences more grave than any compensatory benefit which could result. Such a course of action might well result in strengthening neutralist sentiment which already exists in the Assembly and widen the gulf between the Asian and non-Asian states. We think it would be very difficult to get agreement to the course of action suggested by the United States from a broadly based majority of states. We are assuming, of course, that the agreement on United Nations action referred to in paragraph 2 of the State Department working paper refers to a larger number of states than those with forces in Korea.

7. If we were free to choose the course with the fewest practical disadvantages, we should be inclined to choose the first course outlined above. However in this matter it is necessary to weigh the State Department's estimate of the need for action by the United Nations. We think, therefore, that we should be prepared to support some sort of action in the General Assembly, but I doubt if it would be wise to go as far as the State Department working paper suggests.

8. Taking into consideration the need to appear to take action for the sake of public opinion and the need to ensure that that action will not make the real situation any worse, we are inclined to favour something along the lines of the United Kingdom resolution repeated to you in CPDUN telegram No. 512 of

August 21.†[35] The resolution might also include the further direction along the lines of the United States suggestions that the President of the General Assembly transmit the resolution to the North Korean and Chinese Communist authorities and that he report to the General Assembly on any reply he might receive. We believe the ultimatum contained in paragraph IV of the United States recommendations should be omitted. The President of the General Assembly would be left to decide, and would be in a better position to decide, the appropriate time to report to the General Assembly failure of the Communist authorities to accept the resolution.

9. These are our preliminary reactions to the proposals put forward by Hickerson for discussion and do not necessarily represent the final attitude of the Canadian Government. We think it would be unwise at this stage to attempt to give any form of finality to the recommendations concerning Korea which should be submitted to the General Assembly.

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131. DEA/50069-A-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-2148 Washington, August 29, 1952

SECRET

ACTION ON KOREA IN THE GENERAL ASSEMBLY

Addressed Ottawa WA-2148, repeated Permdel New York No. 305.

In the absence of Hickerson on leave, the preliminary views contained in your message EX-1759 of August 28th were conveyed to Ward Allen and Louis Henkin of Hickerson's staff. These officers said that the views of the governments consulted on this matter would be collated and considered in the department, after which further discussions would be held with the embassies concerned.

2. The State Department continue to hold strongly the opinion that there is need for action on the Korean question by the United Nations. They maintain that other United Nations countries not directly participating in the Korean war would expect there to be a discussion on Korea at the seventh session of the Assembly. Furthermore they feel convinced that the Soviet Union would take the initiative in placing the Korean question on the agenda if no other

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[35] La résolution prit note que l'Assemblée approuvait les efforts déployés par les négociateurs des Nations unies pour arriver à un règlement du conflit en Corée et invita les autorités communistes à «répondre favorablement aux propositions exceptionnelles des négociateurs des Nations unies.»
The resolution noted the Assembly's approval of the efforts of the United Nations negotiators to reach a settlement in Korea and called upon the Communist authorities to "respond favourably to the outstanding proposals of the United Nations negotiators."

government did and it was preferable for the initiative to remain with the United States and its friends.

3. One cogent question asked by the State Department officials was what should be done if, after passage through the General Assembly of a relatively anodyne resolution such as that mentioned in paragraph 8 of your message, time were to pass with no reply being given by the Communists to the President of the General Assembly and no move being made by the Communists to conclude an armistice. It is the tentative view of the Department that in such a case a second resolution should be submitted containing recommendations along the lines of the State Department working paper proposals for further punitive political and economic measures against China. The Department would be glad to have your views on the action which should be taken in these circumstances.

4. As to the efficacy of an economic embargo, the State Department argue that the test of efficacy should be made not only from its probable military results, but also bearing in mind the moral and psychological aspects. They consider it possible that the cumulative effect of further measures against the Chinese might possibly tip the scales in bringing the Chinese to a decision to free themselves from the cost of the Korean war. It will thus be seen that the State Department make a different estimate from us of the psychological impact of the further proposed measures against the Chinese.

5. Allen and Henkin agreed with your remarks about the desirability of gaining as broad support as possible for a resolution on Korea. They thought that the Arab countries would not have much reason to be deterred by proposals for economic embargo, but they admit that India and some other Asian countries could not be expected to go along. They wondered whether something less than full embargo might be worked out.

6. In the course of the discussion Allen and Henkin took issue with two points made in paragraph 5 of your message. They argued that it has not been demonstrated that the stepped-up bombings in North Korea have had an adverse effect upon the peace negotiations and cited as possible evidence to the contrary Kim Il Sung's recent statement that North Korea would be prepared to make peace on the basis of a drawn fight. With regard to the latter part of paragraph 5 of your message, the State Department officials said that the proposals in the working paper on Korea were not drawn up with an eye to any particular policy for dealing with the Chinese problem. The purpose behind them was to impress upon the Chinese, without actually enlarging the conflict, the high cost of making war in Korea. Nevertheless, they would say that, so far as the fundamentals of United States policy towards China are concerned, one of the tenets of this policy is to make the Chinese uncomfortable in the Russian embrace.

7. We can expect the State Department to discuss the matter of action on Korea in the General Assembly again with us shortly. In the meantime we should appreciate receiving from you any views you might care to express as to what action should be taken in the circumstances referred to in paragraph 3 above.

132. DEA/50069-A-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis

Secretary of State for External Affairs
to Ambassador in United States

TELEGRAM EX-1798 Ottawa, September 5, 1952

SECRET

ACTION ON KOREA IN THE GENERAL ASSEMBLY

Reference: Your telegram No. WA-2148 of August 29.

Following from the Under-Secretary.

1. I am grateful to have had such a prompt expression of State Department views as given to you by Allen on our comments with respect to action on Korea in the General Assembly. I have not considered it necessary, however, on the basis of the views reported in your telegram under reference to advise the Minister of any need to reconsider the position which was set out in EX-1759 of August 28. I would like here to re-emphasize some of the points made in our original telegram in order that you will be in a better position to continue discussions with the State Department on this subject.

2. There is obviously a basic disagreement between ourselves and the State Department on the efficacy of further political (i.e. "moral and psychological") and economic pressure on the Chinese and North Koreans. We continue to doubt that such pressure will have any noticeable effect on the Communists. Steadily mounting military pressure has been applied to the enemy forces recently by United Nations air forces. While the North Koreans may have been affected we can find no proof that those who play the dominant role in the present struggle have responded to even this military pressure.

3. At the Sixth Session of the General Assembly spokesmen for a large number of member states, including all those with forces in Korea, argued in strongest terms against removing the armistice negotiations from the hands of the military negotiators at Panmunjon and transferring them to the General Assembly. The United States spokesman, for example, on February 5, said in part, "We do not think that discussions here and now can possibly facilitate the armistice negotiations . . . We must exercise our responsibility to ensure that nothing should be done here to delay or to prevent the conclusion of an armistice." In the course of the same speech he pointed out that the injection of political issues into the discussion, the transfer of military matters under negotiation in Korea to the General Assembly, the tendency to re-open questions already settled by the negotiators at Panmunjon, and the name-calling indulged in by the Soviet representative were four developments "all of which, in our judgment, are harmful to the course of negotiations and show the adverse impact which discussions here would have upon the negotiations." The overwhelming vote with which the proposal for deferment of consideration of the Korean item was accepted was the best indication that to practically all the

representatives of the non-communist world such a deferment made sense. It is significant that India departed from the position of abstention which it had adopted on so many important items before the Assembly to vote in favour.

4. If the stalemate in negotiatons at Panmunjon continues to exist when the Seventh Session of the General Assembly meets it would seem to our advantage to continue the line which was considered best last year and which received general support. We agree that it might be desirable, while maintaining the basic position that the armistice must be concluded at Panmunjon, to ask the General Assembly to endorse in general terms the conduct of the armistice by the United Nations Command to date. The Soviet Union and its satellites would, we believe, rail against such a stand just as unsuccessfully this year as last. In our opinion this course of action has the virtue of honesty. We cannot see how the General Assembly can find a solution to the outstanding issues which are holding up an armistice.

5. We believe that those important states with "neutralist" sentiment might find it possible again to support this course of action or at worst not oppose it. We firmly believe they will find it necessary to oppose further condemnatory and punitive proposals. A display of disunity with respect to Korea in the General Assembly would surely overshadow in the public mind an possible effect which might be hoped for in the attempt to bring further pressure to bear on the Chinese and North Koreans. Finally, it is, and can be interpreted in presentation as, a course of action indicating the firmness of intent of the United Nations to support those negotiating in its name for a just and honourable settlement in Korea against any unreasonable demands on the part of the Communists. It will demonstrate to the Chinese and North Koreans that they cannot achieve their aim of discussions covering political and military subjects prior to an armistice and may lead them to the realization that negotiations must be concluded at Panmunjon. Significant majority support, we believe, could be obtained for this course of action if it were carefully argued, and the effect of such a show of firm intent would, in our opinion, be more likely to give us an indication of "the point where the Chinese might be induced to stop the fighting" than the course of action proposed by the State Department.

6. It follows, therefore, in our opinion, with reference to paragraph 3 of your telegram, that failure of the Chinese and North Korean authorities to respond in any positive fashion to a resolution along the lines of the United Kingdom draft mentioned in paragraph 8 of our EX-1759 might be noted by the General Assembly with regret, and that once again the negotiators at Panmunjon be encouraged to continue to seek an armistice agreement.

7. Our position will be strengthened if all reasonable attempts have been made at Panmunjon to meet the outstanding issue of the repatriation of prisoners of war. (We might expect that failing an armistice the Russian will rehash in any Korean debate in the General Assembly all the arguments on prisoners of war which have been advanced by the Communist delegation at Panmunjon.) We are encouraged, therefore, by the careful consideration being given by the State Department to the idea of some forward step in the

negotiations concerning the prisoners of war as reported in your WA-2150 of August 29† and London's 1868 of September 1.† Without being unduly optimistic we believe some hope has been restored that an armistice agreement may be reached. If it should come before the General Assembly meeting the tactics under discussion in this telegram are no longer a problem and the course of action on which a fair degree of unanimity has been achieved can be considered. If the Communists at Panmunjon wait upon developments in the General Assembly it seems of greatest importance that they should not enjoy the spectacle of divided councils among the non-communist states in the General Assembly and be encouraged thereby to hold out for further concessions before agreeing to armistice terms.

8. We believe, therefore, we should concentrate on taking in the General Assembly only that action which (a) will command the support of the great majority of member states who supported the initial action in Korea; (b) will not call upon member states to take action which some important states will be unwilling to take; and (c) the majority can agree will not make more difficult the conclusion of an armistice agreement at Panmunjon.

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133. DEA/50069-A-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-2199 Washington, September 6, 1952

SECRET

ACTION ON KOREA IN THE GENERAL ASSEMBLY

Reference: Your EX-1798 of September 5th.

Following for the Under-Secretary, Begins:

1. I think that you might have a word with the Minister on this if this is possible before his departure for Europe. The reason is that he was present at a meeting yesterday morning on United Nations questions at which the means of handling the Korean issue in the Assembly was discussed. Those at the meeting included Alexis Johnson, Sandifer,[36] and Ward Allen of the State Department. The discussion related more to matters of procedure in the Assembly than to the substance of the action which might be taken. One point which emerged was that the State Department officials were anxious that discussion of the Korean issue should begin early in the Assembly's proceedings on the first part of their two-stage "realistic" proposal. Consideration of this almost certainly could not be completed until after the presidential elections on November 4th. We shall forward a fuller report on this discussion.

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[36] Durward V. Sandifer, sous-secrétaire d'État suppléant aux Affaires des Nations unies.
Durward V. Sandifer, Deputy Assistant Secretary of State for United Nations Affairs.

2. We learn that the British Government has not yet commented on the State Department's working paper, although the comments of the other governments consulted have been received. When British views are made known, the State Department will review the replies and further discussions will then take place with the Embassies concerned. Ends.

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134. DEA/50069-A-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis

Secretary of State for External Affairs
to Ambassador in United States

TELEGRAM EX-1822 Ottawa, September 10, 1952

SECRET

ACTION ON KOREA IN THE GENERAL ASSEMBLY

Reference: WA-2199 of September 6.

Following from the Under-Secretary.

1. I spoke to the Minister prior to his departure concerning the meeting referred to in your telegram, which he had with State Department officials.

2. I understand that he was careful not to be put in the position of opposing the first stage of the American proposal, since we have already stated that we would agree to a resolution along the lines of the United Kingdom draft resolution which is similar to the resolution proposed by the United States. The Minister told me that he had pointed out to United States officials that they should not be too optimistic about the prospects of obtaining a large majority on even this first stage since many delegations would see that this resolution was merely preliminary to further action and would hesitate to vote for the resolution. Abstention of a large number of delegations would be unfortunate in view of the reasonable nature of the first resolution.

3. Although Mr. Pearson did not mention this to United States officials, our position would likely be that we would have to make it clear in supporting the resolution that this would not in any way commit us to any further step which might be proposed.

4. It is my understanding, therefore, that we should continue to express doubts about the United States two-stage proposal, without appearing to object to any reasonable resolution along the lines of the United Kingdom draft. The Minister's inclinations seem to be against the tactics of appearing to act over-hastily in the Assembly, as this might alienate some delegations whose support we would wish to have. However, I understand that he did not offer strong objection to action early in the General Assembly.

5. It would be valuable for us to have the fuller report on this discussion referred to in your telegram.

135. DEA/50069-A-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-2241 Washington, September 13, 1952

SECRET

ACTION ON KOREA IN GENERAL ASSEMBLY

Reference: Your EX-1822 of September 10th.

Addressed External WA-2241, repeated Permdel No. 325.

Following for the Under-Secretary, Begins:

1. We are told that the State Department's intention is to have further individual consultations, probably next week, with the Embassies of the six countries which were given copies of the State Department's working paper of August 14th. The unfavourable comments of the five Commonwealth Governments were similar in substance. We do not know the details of the French reply except that it was also unfavourable. Hickerson returns from leave on Monday, and the State Department will not adopt a definite position until he has been consulted.

2. We gather, however, that in spite of the adverse comments they are not likely to drop their insistence on the need for more than a hortatory resolution, and particularly their desire for more stringent economic sanctions. I am inclined to urge that if this matter should be pursued, the best method would be to do so through inter-governmental negotiation and not by seeking Assembly approval. We understand that the State Department may be willing to drop the proposal that the Assembly should recommend "that all States sever, limit or refuse to enter into diplomatic relations with the aggressors in Korea," but they seem still to contemplate a two-stage procedure in the Assembly if the stalemate in the armistice negotiations continues. The reason why they want the Assembly discussion on Korea to begin as soon as possible after the Assembly opens is to allow time for the second stage, which would involve action by the Additional Measures Committee before discussion in the First Committee.

3. As previously reported, the belief that further sanctions might make the difference in securing Communist acceptance of an armistice is based on the view that a little more pressure would do the trick mainly because of alleged acute shortages of essential materials in China. It seems to me that this is a hope, rather than a conclusion that can be drawn from any available evidence; the State Department is, however, assembling data which it will give to us.

4. With regard to the meeting attended here by Mr. Pearson on September 5th, you will now have received the report enclosed with my letter 1964 of September 8th.† The Minister certainly took the line that a large majority for

the hortatory resolution was unlikely unless delegations were satisfied that this was all that they would be asked to support. Incidentally, the second recommendation in the working paper of August 14th states that agreement should be reached on the two-stage plan "in its entirety" before consideration of the first phase begins in the Assembly — a condition which cannot be fulfilled unless the governments already consulted completely change their positions.

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136. DEA/50069-A-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-2278 Washington, September 18, 1952

SECRET

ACTION ON KOREA IN THE GENERAL ASSEMBLY

Reference: WA-2241 of September 13th.

Addressed External WA-2278 repeated Permdel New York No. 328.

1. Hickerson, who has just returned from leave, lunched with me today, and we had a general discussion on this subject. There will be a fuller discussion within a week, when consideration has advanced in the State Department of the comments of the six governments consulted on the working paper of August 14th.

2. Hickerson confirmed that this paper has never been more than a working paper developed by the Bureaux of United Nations and Far Eastern Affairs as a basis for consultation on the official level with a few other governments (see our WA-2073 of August 15th). It was circulated in this manner in order to assist in determining what Assembly action would be acceptable to governments with forces in Korea. He thought that the paper had never been seen by the Secretary of State, although Mr. Acheson may have some idea of its contents.

3. Hickerson said that, as a result of the adverse comments from all six governments, changes would have to be made. The Assembly should be asked to adopt a resolution embodying the first phase of the proposals in the paper; any subsequent action by the Assembly in the direction of the second phase must depend on further consultations with other governments, including consultations after the Assembly has opened. He still favours stronger economic measures in an effort to secure, on the authority of the Assembly, something more positive than an endorsement of the actions of the United Nations and Unified Command and an exhortation to the Communists to come into line. I think, however, that we can safely regard the second phase of the proposal in the paper of August 14th as being in the melting pot. The British Embassy is of the same opinion. Hickerson incidentally volunteered the opinion

that if all the suggested new sanctions were put into effect, results would only be achieved over a very long term; this is not in accord with the opinions previously expressed by some officers of the State Department that new pressures might make the Communists soon decide to sign an armistice acceptable to us.

4. He has been thinking along lines rather similar to the suggestions made by the Secretary General and Gross for trying to raise substantial new United Nations forces. (See Permdel's messages 548 of September 6th[†] and 562 of September 10th.)[†] He spoke of the need to withdraw before very long perhaps three United States divisions and to replace them with new United Nations forces and additional South Korean troops. This is based on the assumption that there is no end of the fighting in Korea in sight. I told him that it seemed unrealistic to me to suggest that new contributions of ground forces to the extent of 40,000 men or more could be secured from members of the United Nations; I believe he realizes this at heart. This, however, seems to me to be a safer direction in which to attempt to proceed than to seek approval of vigorous new economic and political sanctions.

5. Hickerson emphasized once more that there was no desire or intention to take steps involving an extension of the war. While the idea of a naval blockade was brought forward from time to time by Admiral Radford[37] and other officers with some support in the Navy Department, this did not accord with the policy of the administration, which continued to favour the restriction of combat operations to Korea.

6. I asked him whether there was any connection between the suggestions for punitive action in the Assembly and the presidential campaign. He said that one aspect which might conceivably have some influence on the campaign concerned the great share of the burden borne by the United States, which led to complaints against the too meagre effort of other members of the United Nations. This, however, was not an issue between the political parties. There was nothing, he thought, at issue about what ought to be done, despite public impatience over the deadlock; nor, given the views of General Eisenhower and Governor Stevenson, was it at all likely that any such issue would be injected. A lot, of course, was being said on the Republican side about the mistakes in the past in the handling of Korean matters, but very little on the means whereby an escape might be found from the present stalemate. From the point of view of the Democratic Party, their prospects in the election would be improved if an armistice could be concluded within the next six weeks. I agree with his comments, and I learn that the British Embassy has recently expressed similar views to the Foreign Office.

7. I shall be sending a further report on this topic in a few days after the State Department has resumed consultations on the action which might be taken by the Assembly. You will have noted the public statement of Mr.

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[37] L'amiral Arthur W. Radford, commandant en chef des forces du Pacifique et de la flotte du Pacifique des États-Unis.
Admiral Arthur W. Radford, Commander-in-Chief, Pacific, and United States Pacific Fleet.

Acheson on September 10th (WA-2224)† and that of Mr. McDermott of September 15th (WA-2255)† on the discussion of Korea in the Assembly.

8. See also my following telegram.

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137. DEA/50069-A-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-2279 Washington, September 18, 1952

SECRET

ARMISTICE NEGOTIATIONS IN KOREA

Reference: My immediately preceding telegram.

Addressed External WA-2279, repeated Permdel New York No. 329.

1. I briefly discussed with Hickerson the present state of the armistice negotiations, opening the discussion by remarking that I thought it would be bad tactics to continue the recent procedure of holding a brief and unproductive weekly meeting in Panmunjon, and that something new should be attempted before the General Assembly met. He at once agreed and assured me that they were seeking agreement here on a new proposal on the issue of prisoners of war. This might follow the line of the suggested immediate exchange of the "repatriables" in United Nations hands for the prisoners whose names have been notified by the Communists, leaving the future of the balance to be settled by later discussions. Full agreement had not yet been reached, however, on the advantages of such a scheme.

2. If the Communists rejected a new United Nations proposal, Hickerson thought it would be better to discontinue meetings at Panmunjon, while maintaining contact through liaison officers, and to tell the Communists that the United Nations delegates would appear only after they were informed through the liaison officers that the Communists had something new to propose.

3. I do not see much prospect of a proposal being made which has any serious chance of acceptance by the Communists. The nub of the problem is the fate of the non-repatriable Chinese prisoners. If they could disappear in some way, I doubt that we should have much trouble about the non-repatriable Koreans. I did not succeed in getting a definite opinion from Hickerson on the Mexican proposal.

138. DEA/50069-A-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-2312 Washington, September 24, 1952

SECRET

ACTION ON KOREA IN THE GENERAL ASSEMBLY

Reference: WA-2278 of September the 18th.

Addressed External Ottawa WA-2312, repeated to Permdel New York as No. 335.

At yesterday's State Department meeting on Korea Hickerson made a statement on tentative United States views on this question. This statement represented the first step in consultations on the matter by the United States with governments other than the six governments mentioned in my previous messages. Later the United States delegation in New York will consult with the delegations of some other governments not participating in Korean action.

2. Hickerson prefaced his remarks by saying that the United States and its allies should take the initiative in raising the Korean question in the General Assembly. Governments should give careful thought to the way in which this might be done.

3. On the assumption that the deadlock in the armistice negotiations would continue, Hickerson said that the United States now envisaged two stages of action: (1) The introduction into the General Assembly of a simple and non-controversial resolution endorsing the stand of the UNC negotiators and calling upon the Communists to accept the UNC position and proceed to the conclusion of an armistice; (2) if no results ensue, consideration must be given to the question of what further action should be undertaken by the United Nations. Hickerson said that at the present time he wished to speak only about stage (1). He would have something to say about stage (2) at a later date.

4. Hickerson gave the text of a rough draft of a resolution which might be presented to the General Assembly. He described this draft, which is by no means firm, as "short, simple, relatively non-controversial and one which it was to be hoped could pass almost unanimously." The draft resolution is as follows:

The General Assembly noting with approval the efforts of the United Nations negotiators to achieve a just and honourable armistice and to bring an end to the fighting in Korea in accordance with the United Nations principles;

Noting further that disagreement on one remaining issue alone has to date prevented the achievement of such an armistice; endorses the position which the United Nations negotiators have taken on the issues on which agreement has been reached as well as on the question still in issue;

Calls upon the Chinese Communist and North Korean authorities to avert further bloodshed by responding favourably to the outstanding proposals of the United Nations negotiators;

Requests the President of the General Assembly to transmit this resolution to the North Korean and Chinese Communist authorities and to report to the General Assembly, as soon as he deems appropriate, upon any reply received or the absence of any reply.

5. There was little discussion of the proposed resolution at the State Department meeting, since it could not be revealed by certain governments that they had been engaged in prior consultations on the matter with the State Department. The proposed draft resolution, however, and Hickerson's statement clearly show the result of these prior consultations. Hickerson pointed out that the resolution was in general terms and did not point up the issue of no forced repatriation. He said that the United States wished to have the views of governments concerned, and that discussions on this matter would be centred in New York, where representatives of other governments would soon be sounded out. He suggested that the comments and views of governments on the handling of the Korean question in the General Assembly might now best be conveyed to the United States through delegations in New York, being repeated to Washington for information.

6. He repeated that governments should also be considering what further action was to be taken if the Communists made either no reply or a hostile reply to the proposed hortatory resolution. He said that in the United States view it was not desirable at this time to consider further military steps but it was necessary to discuss what other ways there might be of putting pressure on the Chinese through such means as further economic pressure. The United States would wish to have the views of governments on this question also.

7. The fact that Hickerson did not go into the question of further action to be taken, if there is no favourable reply to the proposed General Assembly resolution, should not be taken to mean that the United States is preparing to give up the idea that some measures should be taken in such an event. I understand that it is the intention of the State Department to explore separately with the five Commonwealth Governments concerned and with the French what additional measures might be taken against the Chinese, if they should not respond to the General Assembly resolution. The State Department wish to discuss this matter with the six governments before doing so with other governments.

139. **PCO**

Note du secrétaire d'État aux Affaires extérieures pour le Cabinet

Memorandum from Secretary of State for External Affairs to Cabinet

SECRET Ottawa, October 6, 1952

KOREAN QUESTION AT THE SEVENTH SESSION OF THE GENERAL ASSEMBLY[38]

At the present time, we do not know whether there is any prospect of reaching an agreement on an armistice at Panmunjon, or whether the present deadlock will continue after the final Communist reply is given to the proposals for compromising the prisoners of war issue, which were advanced by General Harrison on behalf of the Unified Command on September 28. In the absence of such knowledge, it is impossible as yet to give the Delegation detailed instructions on the position which it should adopt on proposals regarding Korea which may be advanced at the forthcoming Assembly.[39] However, a number of guiding principles have emerged from the general position the Canadian Government has already adopted on issues connected with the problem of Korea; and these principles are set forth below for the use of the Delegation.

(a) It is fundamental to Canadian policy to limit the present hostilities to the Korean peninsula; and to continue the search for an early settlement of these hostilities by negotiation.

(b) It follows that our general attitude in the Assembly should be to support proposals which will facilitate the armistice negotiations, and to oppose those proposals which would impede an armistice. At the same time, the Canadian Government supports the position adopted by the United Nations negotiators in opposing demands for the forcible repatriation of prisoners of war.

(c) The objective of the United Nations intervention in Korea is to resist aggression in that peninsula, not to overthrow the present Communist regime in China.

(d) The Canadian Government is not persuaded that additional political and economic sanctions against China will weaken either that country's capacity or its will to continue fighting in Korea. Moreover, such sanctions will, in any case, be ineffective unless they are supported by every important country concerned, including, specifically, China's Asian neighbours such as India. This applies particularly to proposals for a total economic embargo against China.

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[38] Voir le document 252./See Document 252.

[39] Les négociateurs des Nations unies proposèrent que les prisonniers de guerre fussent amenés à un point convenu dans la zone démilitarisée et relâchés après que leur identité eut été vérifiée en se référant aux listes convenues. Une offre supplémentaire donna aux officiels chinois l'occasion de participer à un réexamen des prisonniers qui avaient refusé d'être rapatriés.

Les propositions furent rejetées par les représentants communistes le 8 octobre, après quoi les négociations en vue de l'armistice furent suspendues.

The United Nations negotiators proposed that prisoners of war be brought to an agreed point in the demilitarized zone and released after their identity had been checked against agreed lists. A further offer gave the Chinese officials an opportunity to participate in the rescreening of prisoners who had refused repatriation.

The proposals were rejected by Communist representatives on October 8, after which the armistice negotiations were recessed.

(e) Our principal potential enemy is the Soviet Union, not China. While it is necessary for us to continue our military action to resist aggression in Korea, until such time as an armistice is concluded, we must not overlook the danger that military pressure extended to Chinese territory will further cement the present Sino-Soviet alliance, and will indefinitely postpone the re-emergence of those frictions which have in the past developed between these two historic rivals.

(f) Moreover, it seems unlikely that any large number of additional United Nations troops are available as reinforcements in Korea. The only troops which appear to be available are the Chinese Nationalist troops now in Formosa. The Canadian Government is wholeheartedly opposed to the use of these forces in Korea, as such a development would not only involve us in support of the Nationalists in a continuation of the civil war in China, but would contain a very real danger of provoking a Third World War.

It follows that the Canadian Delegation should support proposals, consistent with the principles stated above, which are designed to break the present armistice negotiations deadlock; and that it should adopt an attitude of caution towards proposals calling for additional punitive measures against the Chinese.

Up to date, three proposals dealing with Korea in the General Assembly have been the subject of preliminary discussion between Canadian representatives and representatives of other friendly governments. In the event that these proposals are formally submitted to the Assembly, the Canadian Delegation should be guided by the principles mentioned above, and the additional comments given below.

The United States Proposal. Representatives of the United States have been discussing in Washington a two-stage proposal for action in the Assembly. In the event that armistice negotiations at Panmunjon continue to be stalemated when the Assembly meets, this proposal would involve: (a) in the first stage, a resolution endorsing the stand taken by the United Nations negotiators at Panmunjon and calling on the Communists to accept this stand in its entirety; and (b) in the second stage, following upon the expected negative reply of the Communists, or their failure to reply, the United States proposal would call for action by the Additional Measures Committee and by the General Assembly for further political and economic sanctions against Communist China and North Korea — including, more specifically, the imposition of a total economic embargo and the severance of diplomatic relations with China by those Members which have such relations.

It follows from the principles stated above that the Canadian Delegation should not support the introduction into the Assembly of even the first stage of this United States proposal, if the Communist reply to General Harrison's proposals of September 28 leaves any real hope that the deadlock over prisoners of war may be resolved at Panmunjon. On the other hand, if the Communists show no sign of compromising on the prisoners of war issue, the Delegation should support a resolution endorsing the proposals advanced by the United Nations negotiators and calling on the Communists to accept them. Nevertheless, the Delegation should strongly resist the introduction of any kind of ultimatum to the Communists into such a resolution. It should also be noted that the General Assembly has, thus far, not had the occasion to endorse the stand taken by the U.N. armistice negotiators, and it therefore follows that the effect of such an endorsement will depend very much on the number of states which support it. It is most improbable that such a resolution will obtain the desired overwhelming majority in the Assembly unless it scrupulously avoids language of a provocative nature.

While the Delegation may support the first stage of the United States proposal in the above manner, it should make it very clear that this does not imply any commitment to support the second stage calling for economic and political sanctions. If the Communists reply in the negative to the first resolution, as seems very probable, the Delegation must consider what further action should be taken by the Assembly in the light of the principles stated earlier in this memorandum. It is true that the desires of the United States for additional measures against China will be very understandable, and that the United States Delegation will no doubt be under great pressure from the public opinion in that country. Nevertheless, the Delegation must bear in mind the grave danger of spreading the war which would arise if action were taken merely to satisfy an impatient segment of public opinion; and it should also bear in mind that additional punitive action against China will further divide the Western democracies from the remaining non-Communist Asian states.

The Secretary-General's Proposal. Since early September, Mr. Lie has been discussing with representatives of various governments his proposal for an appeal in the General Assembly for 20,000 more volunteers for Korea. Mr. Lie thought that these forces should be recruited from as many countries as possible, and especially from those which have not yet contributed. His idea is that the force would be trained as a United Nations' Division in the United States, and at American expense. The Secretary-General has pressed energetically in the Collective Measures Committee for a United Nations Legion, and it may be that he would hope to fit into the military framework of such a legion the body of additional volunteers which, he proposes, should be requested for Korea. The Collective Measures Committee did not give detailed study to the Secretary-General's further proposal, but most members of the C.M.C. showed little enthusiasm for it. The Canadian Delegation in the C.M.C. took little part in the discussion of the subject, and did nothing to encourage the proposal. While there seems to be some merit in appealing to those governments which have thus far not sent any forces to Korea, to do so, there is little likelihood that there would be any favourable response to such an appeal. If this proved to be the case, Mr. Lie's proposal might have the effect of further diminishing the prestige of the United Nations. There is also the danger that, if Mr. Lie submits his proposal, the Chinese Nationalist representative will seize the occasion to say that his government is both able and willing to provide the necessary troops. In the absence of a response from any other Member of the United Nations, such an offer might be very embarrassing. There are thus a number of serious difficulties and even dangers, which may arise if this proposal is pursued. The Delegation should point out these dangers in discussion with other friendly delegations, but should not take the initiative in opposing consideration of the Secretary-General's appeal, as we are in sympathy with his basic objective.

In any case, the Canadian Delegation should make it clear that it has no authority to give any commitment regarding the despatch of additional Canadian forces to Korea.

The Mexican Proposal. In a Note to the Secretary-General early in September, the Mexican Government proposed that the immediate exchange of those prisoners of war in Korea who wished to be repatriated, should take place. Each United Nations Member would then pledge itself to admit to its territory an agreed number of prisoners of war who had refused repatriation, granting them the status of immigrants in order to admit them to gainful employment.

The main objective of the Mexican proposal is to provide asylum for prisoners of war resisting repatriation to Communist control. Its merit is that it would afford an opportunity for participation in the United Nations action in Korea by those countries which have not sent military forces. On the other hand, its defect is that it presupposes that the Communist authorities will compromise on the question of non-forcible repatriation and, for this reason, avoids the central issue. However, although the Mexican proposal does beg the central question at issue, it nevertheless would provide a method of ensuring that non-repatriated Chinese prisoners were not taken into the Nationalist forces on Formosa. For this reason the Mexican proposal might possibly have some appeal for the Communists. In any case, it underlines a genuine problem, namely, what is to be done with those prisoners who are not repatriated, if the Communists *do* agree to compromise on the forcible repatriation issue.

In discussions up to date, a number of responsible governments, particularly the United Kingdom, have stressed to the Mexicans that they believe this proposal should be pursued, initially, at least, through normal diplomatic channels, rather than by introducing it as a resolution into the Assembly. The Canadian Delegation should generally support this point of view. However, if the resolution is placed before the Assembly, the Delegation should not oppose it, but should make an effort to ensure that the commitment to give asylum to such prisoners of war would be the primary responsibility of those countries which have not been able to send military forces to Korea.

L.B. PEARSON

140. DEA/50069-A-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-2508 Washington, October 21, 1952

CONFIDENTIAL. IMPORTANT

KOREA — ACTION IN GENERAL ASSEMBLY

Addressed External WA-2508 (Important) repeated to Permdel as No. 383.

At today's State Department meeting on Korea the proposed United States draft resolution concerning Korea was distributed to representatives of governments participating in the Korean war. My immediately following teletype gives text of draft resolution which is also being discussed concurrently with delegations of these governments in New York.

2. Alexis Johnson observed that the proposed resolution is similar to that which had been given to us previously by Hickerson (see (WA-2312 of September 24) but had been revised to take into consideration consultations with other governments which had taken place in Washington and New York. He hoped that governments concerned would make known to the United States as soon as possible their views on the draft resolution. He suggested that this should be done through delegations in New York, since it was possible that the Korean item might be discussed by the Political Committee as early as Thursday.

3. Johnson repeated that the State Department considered that the 'Allies' should take the initiative in the Korean discussion. He hoped that it would be possible for the resolution to be sponsored by all the United Nations Governments participating in the Korean war; the resolution had been drafted with this in view. He said that the United States realized the necessity of getting as wide a measure of support as possible for a Korean resolution. It was hoped that the proposed resolution would be supported by an overwhelming majority and it was thought not unreasonable to expect support for it at least from the 53 nations which have given either moral or material support to the United Nations undertaking in Korea.

4. Johnson noted that paragraph 7 of the draft resolution is an addition to provide for recognition of suggestions for the solution of the prisoners of war problem which have been made by Mexico and Peru.

141. DEA/50069-A-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-2509 Washington, October 21, 1952

CONFIDENTIAL. IMPORTANT.

KOREA — ACTION IN GENERAL ASSEMBLY

Reference: My immediately preceding teletype refers.

Addressed External WA-2509, repeated Permdel, New York, No. 384.

Following is text of draft United States resolution on Korea:

"The General Assembly,

1. Having received the special report of the Unified Command of October 18, 1952, on the status of military action and the armistice negotiations in Korea,

2. Noting with approval the efforts of the United Nations negotiators to achieve a just and honourable armistice to bring an end to the fighting in Korea in accordance with United Nations principles,

3. Noting further that disagreement on one remaining issue has prevented the achievement of such an armistice,

4. Reaffirms the earnest intention of the United Nations to reach a just and honourable settlement of the Korean conflict,

5. Notes with approval the tentative agreements which the United Nations Command has reached on behalf of the United Nations,

6. Notes with approval the principle followed by the United Nations Command with regard to the question of repatriation of prisoners of war and the numerous proposals which the United Nations Command has made to solve the question in accordance with this humanitarian principle,

7. Notes further that other suggestions consistent with the basic humanitarian position of the United Nations Command have been made by various members of the United Nations,

8. Calls upon the Chinese Communist and the North Korean authorities to avert further bloodshed by having their negotiators agree to an armistice which recognizes the rights of all prisoners of war to an unrestricted opportunity to be repatriated and avoids the use of force in their repatriation,

9. Requests the President of the General Assembly to transmit this resolution to the Chinese Communist and to the North Korean authorities and to make a report to the Assembly as soon as he deems appropriate during the present session on the result of his action."

142. DEA/50069-A-40

Le secrétaire d'État aux Affaires extérieures au chef par intérim de la délégation à l'Assemblée générale des Nations unies

Secretary of State for External Affairs to Acting Chairman, Delegation to General Assembly of the United Nations

TELEGRAM 19 Ottawa, October 23, 1952

SECRET

KOREA — ACTION IN THE GENERAL ASSEMBLY

Reference: WA-2508 and WA-2509 of October 21, repeated to Permdel as No. 383 and 384.

Following from the Under-Secretary, Begins: My preliminary view of the United States draft resolution contained in WA-2509 is that it is fully in accordance with the instructions approved by the Cabinet on October 9, and that the Delegation may support the text as it now stands. It should be noted that this draft resolution does not contain any ultimatum to the Communists and that it is not drawn up in provocative language. The only time limit placed on reporting by the President of the Assembly is the duration of the present session, and this seems reasonable enough.

2. It may be that amendments will be submitted, particularly by friendly Asian states, to paragraph 8 of this draft resolution in order to make the language more general and to avoid such a clear delineation of the issue in dispute between the United Nations and the Communists. If such amendments are submitted, I think you should give them favourable consideration if, in your judgement, they will have the effect of increasing the majority for the resolution.

3. Paragraph 3 of WA-2508 refers to the question of co-sponsorship by "all the United Nations governments participating in the Korean war." I do not believe there would be any objection to Canadian co-sponsorship of this resolution if the other governments concerned are also prepared to co-sponsor. This is obviously a point on which you will wish to consult other friendly delegations.

4. In view of Mr. Pearson's strong interest in this subject, you will undoubtedly wish to keep him informed regarding the Delegation's position on any developments which may take place. Ends.

143. DEA/50069-A-40

Le chef de la délégation à l'Assemblée générale des Nations unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to General Assembly of the United Nations, to Secretary of State for External Affairs

TELEGRAM 63 New York, October 24, 1952.

CONFIDENTIAL

KOREA — ACTION IN THE GENERAL ASSEMBLY

Reference: Your telegram No. 19 of October 23, 1952.

After discussions last week with members of the United States and Commonwealth delegations on what type of resolution might provide the best basis for action in the First Committee, we tried our hand at drafting a resolution late last week of a very restricted nature. Its object would have been to get Assembly approval of the specific proposals offered by the Unified Command on September 28, with respect to the prisoner-of-war issue. Annexed to the resolution would have been the detailed proposals offered by General Harrison on September 28. This was prior to receipt of the United States draft resolution contained in WA-2509.

2. Our idea of a restricted resolution and our draft resolution itself was not rejected by friendly delegations nor was it received enthusiastically. At no time did we mention our draft resolution to the press and we showed the draft text only to the United States and Australian delegations.

3. Yesterday, October 23, we were asked to co-sponsor the United States resolution, the text of which was the same as that contained in WA-2509 with the exception of a few minor changes. After consultation with Mr. Pearson, we agreed to act as co-sponsors along with the majority of governments with troops in Korea. We reserved the right to return by way of amendment to our idea of a restricted resolution in the event that discussion in the First Committee indicated that the neutralist States such as India would be unprepared to vote in favour of the more general resolution.

4. We have made every effort to draw the Indian delegation out on its views with respect to practical action by the Assembly on Korea, without much success. The Indian attitude has been described rather aptly as one which is against sin but uncertain as to how virtue can be implemented.

5. Mr. Acheson will introduce the resolution under reference at the meeting of the First Committee this afternoon, October 24.

144. DEA/50069-A-40

Le chef de la délégation à l'Assemblée générale des Nations unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

TELEGRAM 74 New York, October 24, 1952

SECRET. IMPORTANT

Addressed External No. 74, Important, repeated Washington No. 15.

Following from Martin, Begins: At the Commonwealth meeting this morning there was an interesting, if at times confused, exchange of views on the turn the discussion would take on Korea as a result of the United States resolution.

2. Krishna Menon was drawn in the discussion and, while pointing out that he was speaking personally, gave an interesting insight of Indian thinking in the matter.

3. Menon made it quite clear that it would probably not be possible for his delegation to vote for United States resolution. He deplored the fact that the question of an invitation to South Korea had been raised yesterday leading to the counter proposal that North Korea also be invited. He also thought that the United States resolution was ill-timed since it would force delegations to take sides at a very early stage in the debates.

4. Menon said that if the main purpose of the discussion was to lead in the direction of an armistice in Korea, more realism would have to be projected in the debates. He thought that the solution might be sought in the following direction:

(1) A study of the word *domicile* as it appeared in Vishinsky's statement of October 18th as applied to what he thinks would be the small group of those prisoners of war who refuse repatriation might lead to a practical solution of this thorny problem. In his view, it would not be impossible to come to an arrangement whereby *no* prisoners would have to be repatriated by force.

(2) The machinery for the cease-fire talks should be made more acceptable to the North Koreans. He vaguely referred to the possibility of adding neutral powers to the representatives of the Unified Command. In his view, it was not possible to think that "the same people fighting all day could make much progress towards an armistice at night."

5. Naturally, the United States resolution does not lead in the direction outlined by Menon and doubt was expressed as to whether it would be possible to steer the debate in the direction of those proposals. Menon believed that this could be done. The United States, the U.S.S.R. and other delegates would blow off steam during the first part of the discussion and realize that this led them nowhere. A new approach could then be submitted by more neutral powers (he did not exclude the possibility that India might be willing to take such a responsibility) on the lines of his suggestions. In this respect, Casey of

Australia told me that Mrs. Pandit[40] had informed him that India would not like to take the limelight but that, if an impressive block of powers asked them to undertake negotiations with the Chinese Communists on a basis which would be acceptable to India, then the Indian Government would be willing to consider such a course.

6. During the discussion, I took the line that we would, of course, co-sponsor the United States resolution but that this did not mean that we would oppose other resolutions or suggestions leading to an honourable armistice.

7. I would not wish to give too great importance to the concrete suggestions put forward by Menon at this meeting not only because he is at times apt to be carried away by his imagination but also because there are very serious obstacles to their implementation. Ends.

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145. DEA/50069-A-40

Le secrétaire d'État par intérim aux Affaires extérieures
au chef par intérim
de la délégation à l'Assemblée générale des Nations unies

Acting Secretary of State for External Affairs to Acting Chairman,
Delegation to the General Assembly of the United Nations

TELEGRAM 30 Ottawa, October 25, 1952

CONFIDENTIAL

KOREA — ACTION IN THE GENERAL ASSEMBLY

Reference: Your teletype No. 63 of October 24.

Following from the Under-Secretary, Begins: I think the initiative contemplated in your teletype under reference might well be useful. However, you will be in a better position than us to judge, from your contact with other delegations, whether or not it will be advisable to put forward the proposed Canadian amendment.

2. The main thing seems to be to obtain the largest possible majority in the Assembly for endorsing the proposals advanced by the U.N. negotiators on September 28. If the more restrictive amendment contemplated by you would have the effect of genuinely increasing this majority, I am inclined to think you should submit it. However, I do not think the amendment should be put forward unless the United States and the other co-sponsors are prepared to accept it into the present resolution; and unless we receive advance commitments from India and the other "neutralist" states that the introduction of such an amendment will make it possible for them to vote in favour of the amended resolution. In other words, I do not think the amendment will serve much

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[40] Srimati Vijaya Lakshmi Pandit, chef de la délégation de l'Inde à la septième session régulière de l'Assemblée générale des Nations unies.
Srimati Vijaya Lakshmi Pandit, Chairman, Delegation of India to the Seventh Regular Session of the General Assembly of the United Nations.

purpose unless it has the effect of bringing the United States and India together on the same resolution.

3. I note from paragraph 4 of your teletype under reference that you have not had much success in obtaining the views of the Indian Delegation, but this would seem to be one of the keys to the situation.

4. I would be glad to see the text of your contemplated draft amendment. Ends.

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146. DEA/50069-A-40

Le chef de la délégation à l'Assemblée générale des Nations unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

TELEGRAM 101 New York, October 28, 1952

SECRET. IMPORTANT.

KOREA

Reference: Our telegram No. 74 of October 24, 1952.

Addressed External No. 101, Important, repeated Beaver No. 22.

There was a further Commonwealth meeting this morning, during which some interesting points emerged about a possible settlement in Korea.

2. There was first a general discussion as to whether the Chinese Communists were in good faith or not in seeking an armistice. Krishna Menon, speaking for India, said that he was sure that the Chinese Communists were anxious in their effort to seek an armistice, that he could already prove it but that he would even have better proof in about a week's time. Selwyn Lloyd was not willing to go that far but thought that the Chinese Communists would agree to an armistice if they could save face. Sir Zafrulla Khan, on the other hand, took the view that the Chinese would not willingly give up unless and until they were sure that an armistice would be followed by a general settlement in the Far East which would be satisfactory to them. In his view, the prisoner-of-war issue is only an excuse and the Chinese could continue to find other excuses as long as they considered that the United States is not ready to agree to a settlement in the Far East.

3. With such divergent interpretations, it was normal that the United States resolution which we have agreed to co-sponsor should be viewed differently. Menon now confirmed that India could not support it because they were unable to endorse all that the United Nations Command had done. Specifically, he mentioned the bombings of the Yalu River. He added that we should not delude ourselves about the majority with which this resolution would be passed and that as far as the Chinese were concerned, it made no difference to them whether it was passed by a small or large majority. As far as India was concerned, he pointed out that they could play a much more constructive role

by not being tied by the terms of the resolution. Lloyd was rather cautious (although there is no doubt that the United Kingdom will not only support the resolution but also appeal for as wide a support as possible) and only made the rather jesuitic comment that he saw some advantage in the present resolution since a milder course could be followed once it had been passed. Zafrulla Khan said that the resolution was probably alright if we were satisfied with dealing with the limited field it covered but that it did not end the matter.

4. Mr. Martin took a line similar to the one already expressed in our telegram under reference whereby Canada would support the resolution but would be open to any other suggestion or course of action which would lead to an honourable armistice. He also pointed out that in view of his position, the statement he intended to make at a later date would clearly leave the door open. Casey is following a similar course and intends to make a rather mild statement.

5. Menon further elaborated his views on the lines which might be followed to find a solution to the prisoner-of-war issue. He first pointed out that his delegation could not agree with the United States interpretation of the Geneva Convention. He said that it was impossible to interpret the Convention to mean that prisoners-of-war could "opt for a new nationality" as suggested by Mr. Acheson. The following is a simplified version of the plan he suggests and which, in his estimation, might be acceptable to the Chinese. The advisory commission of neutrals already agreed upon, i.e. Czechoslovakia, Poland, Sweden and Switzerland, would undertake the role of "protecting power" for the prisoners-of-war on both sides. Prisoners-of-war would be delivered to them at demilitarized points and they would be treated according to the terms of the Convention for all purposes including that of repatriation. *De jure* this would mean that prisoners-of-war would be apt to be repatriated by force according to the letter of the Convention and the interpretation given to it by the Communists, but, *de facto* it would be agreed by all parties concerned that no prisoner would be repatriated by force according to the spirit of the Convention and the interpretation given to it by the non-Communists. Prisoners-of-war willing to be repatriated would be free to do so immediately while the others would remain in the demilitarized zone under the custody of the protecting power for as long as they wish. This ingenious formula was not discarded altogether by Selwyn Lloyd who said that his immediate reaction was that he saw no harm in having the prisoners-of-war handed to a protecting power but that further study would have to be given to it. We have not had time to consider it ourselves and it may be that this is but a "re-hash" of suggestions already agreed upon by the Unified Command but rejected by the Communists. Our immediate reaction, however, is that it would probably be very difficult for the United States administration, at this stage at any rate, to give in on the *de jure* recognition of the principle of non-forcible repatriation.

6. Meantime, the discussion on the United States resolution has to follow its normal course, and unless Vishinsky makes some conciliatory move in his speech tomorrow, the resolution will continue to be the only issue openly under consideration.

7. This creates a very odd situation whereby two sets of discussions are going on jointly on the same subject, one openly in the First Committee and the other among members of the Commonwealth. It seems to be generally agreed among this latter group that the debate in the First Committee is rather unreal since most if not all of the Commonwealth members are now convinced that there is no chance of obtaining an armistice through the pressure brought on the Communists by the resolution being discussed in the First Committee whereas there might be some slight chance of obtaining an armistice through the good offices of India. We must still go through the formal motion of supporting the United States resolution however, and unless instructed to the contrary, will continue to do so.

8. The fact that India is willing to take the lead in these negotiations is encouraging. If they fail, we will be no better off but India will realize how difficult it is to come to an understanding with the Communists; if they succeed, then an armistice will have been achieved. There is a further advantage in the negotiations being undertaken by India. You may remember that in his speech, Mr. Acheson made it quite clear when he introduced the resolution now under consideration that this was a "preliminary attempt", thus inferring that other steps might have to be taken. Surely, he must have had in mind the condemnatory resolution which the State Department have already shown us and which we gather they are still intent on submitting to the Assembly at a later date during this session if no progress is made on the basis of the present resolution. It may be that the negotiations of the Indian Government will make this second resolution either unnecessary or premature before the Assembly is over, and this would be a most welcome development for many delegations, including our own.

9. We realize the complexities of the Indian suggestion and are not at all in a position to say whether they will succeed or not. In the very unhopeful atmosphere that prevails here, however, about a settlement of Korea based on action taken as a result of the United States resolution, it seems that we are bound to give moral support to the Indians. At no time have they asked us to give them any other sort of support.

10. We may have further comments to make on the Indian suggestion after we have studied it more closely and we will pass them on to you. Meantime, we would be glad to receive your views. Mr. Pearson will be discussing this in more detail with you during his visit to Ottawa.

147. DEA/50069-A-40

Le chef de la délégation à l'Assemblée générale des Nations unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

TELEGRAM 117 New York, October 29, 1952

CONFIDENTIAL

KOREA — PRISONERS OF WAR

Reference: Your telegram No. 45† of October 28.

Addressed Ottawa No. 117, repeated Washington No. 27.

1. As we dig deeper into the problem of Korea as it tends to develop at this Assembly and specifically into the resolution of which we are one of the co-sponsors, it is becoming increasingly clear that we must address our remarks in the main to the restricted question of the disposition of prisoners of war. Our instructions indicate we must oppose the principle of forcible repatriation and we will do so. However, it causes us some concern that we may, in presenting our case publicly on the issue, find it necessary to express ourselves in a manner which would not indicate the concern which was in the minds of our representatives at Geneva — that Canadians in future wars "would not be deprived of any of the protections of the Geneva Convention on the pretext that they desired to renounce such protection." We shall have to make our stand on the *intent* of the Geneva Convention rather than on the letter of the law and trust that in the circumstances you will find this method of approach acceptable.

2. This morning (October 29) two representatives of the State Department's Legal Division (Hincken and Runyon) and Ward Allen discussed the legal considerations underlying the position of the United Nations Command regarding the issue of forced repatriation of prisoners of war with Mr. Martin and officials of the delegation. They left with us a set of papers which had been produced in the State Department to fortify the case made by Mr. Acheson in his opening address. Copies of this material will be sent to you, although probably not in time to allow you to analyze them prior to our statement in which we may use to argue that international practice as distinct from what the Convention says has not been such as to support the argument that prisoners of war must be returned by force to the state to which they owed allegiance originally.

3. We asked these officials whether there had been any concern expressed in Washington with respect to the precedent which we were establishing which might boomerang against our forces in a future war. They said that this problem had caused a good deal of concern and that the implications of the United Nations Command's stand on non-forcible repatriation had been made clear to the President. However, it had been the considered view of civilian and

military departments that the stand on non-forcible repatriation should be taken.

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148. DEA/50069-A-40

Le chef de la délégation à l'Assemblée générale des Nations unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

TELEGRAM 127 New York, October 30, 1952

CONFIDENTIAL

KOREA COMMONWEALTH MEETING

Reference: Our telegram No. 101 of October 28.

Addressed External No. 127, repeated Beaver No. 28.

A further Commonwealth meeting was held this morning, October 30, to discuss Vishinsky's statement and to obtain a further elaboration of Indian thinking on an approach to Peking.

2. Zafrullah Khan led off on the Soviet resolution[41] and suggested we should concentrate on its meaning while ignoring the context in which it had been presented. He made it clear that in his mind the resolution could not be considered unless to it were added (a) unequivocal acceptance of the principles of non-forcible repatriation and (b) the prior conclusion of an armistice agreement. We would then face the problem of agreeing on the composition of the commission and the problem of how it might be used to bring about solution of the broader problem of Korea.

3. The Australian and New Zealand spokesmen were obviously inclined to turn down the Soviet resolution out-of-hand. In their minds it would involve the relinquishing on our side of the principle of non-forcible repatriation. They tended to regard it simply as a device to remove the negotiations from Panmunjom.

4. Menon believed that the resolution was purposely vague, ignored completely the prisoner of war problem, and was addressed to the future rather than to present issues. He devoted most of his attention to an elaboration of the views he had put forward at the earlier meeting (my telegram under reference). He argued that the Geneva Convention did not provide for direct repatriation but rather for the turning over of prisoners of war by both sides to a protecting power which, under the terms of the convention, was debarred from the use of force. He believed we should make every attempt to learn from the Chinese whether they would be prepared to agree that custody of prisoners of war

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[41] La résolution soviétique, présentée par Vichinsky, le 29 octobre, demandait la création d'une commission «pour un règlement pacifique de la question coréenne.»
The Soviet resolution, introduced by Vishinsky on October 29, called for a commission "for the peaceful settlement of the Korean question."

should in the first instance be assumed by the neutral nations supervisory commission (Switzerland, Sweden, Poland, and Czechoslovakia) on the understanding that, if a dispute arose as a result of an individual prisoner of war expressing his determination not to return to one side or the other, the representative of a fifth state might act as referee. In response to Australian criticism that his plan made no provision for the expression of opinion of an individual prisoner of war for or against repatriation prior to the time of his entering the custody of the protecting power, he pointed out that the negotiators at Panmunjon had already agreed on the movement of prisoners of war to the demilitarized zone. The same difficulty therefore was inherent in the scheme offered by the Unified Command. He believed that the prisoner of war problem had become separate and quite distinct from the problem of a general armistice agreement. In addressing ourselves to Vishinsky's statement and his resolution, therefore, we should do nothing to make more difficult some agreement with the Chinese on the prisoner of war issue. Several times he stressed his belief that Vishinsky could not speak for China.

5. Lloyd indicated the general line he would take in his statement this afternoon and stressed that his main purpose would be to pin Vishinsky down on the question of whether in fact he was advocating the forcible repatriation of those who might indicate to a neutral body that they did not want to go home. Zafrullah Khan supported this line of approach. It was agreed that Vishinsky had based his argument on the flat assertion that there was no one who would refuse repatriation and we had therefore to face him with the fact that there were such individuals and to go as far as possible to force him to take a stand on the issue. It was finally agreed even by Menon that such a line of approach would not complicate any other approach which might be made to the Chinese.

6. Mr. Martin took the line that Soviet resolution might be acceptable after an armistice which provided for the free expression of the desires of prisoners of war with respect to repatriation. He thought it was our duty at this moment to combat any impression which Vishinsky had made on public opinion as to the validity of his legal argument on the Geneva Convention. He indicated his belief that there might still be room for a more restricted resolution which would address itself purely and simply to the principle of non-forcible repatriation. He agreed that the United States could not be expected to consider the Soviet resolution in its present bald form.

149. DEA/50069-A-40

Le secrétaire d'État aux Affaires extérieures
au chef de la délégation à l'Assemblée générale des Nations unies

Secretary of State for External Affairs
to Chairman, Delegation to the General Assembly of the United Nations

TELEGRAM 58 Ottawa, October 31, 1952

CONFIDENTIAL. IMPORTANT.

KOREA — PRISONERS OF WAR

Reference: Your Teletype No. 117 of October 29.

Following from the Under-Secretary, Begins: We agree that the dilemma posed in paragraph 1 of your teletype is difficult for the Delegation, and realize that you have examined all aspects of this situation. However, we consider that it might be safer not to make any public statement in the Political Committee which deals with even the *intent* of the Geneva Convention on the particular question of the repatriation of prisoners of war. We are studying this matter further in connection with the various proposals which are being discussed behind the scenes in New York, such as that outlined by Krishna Menon at the Commonwealth meeting on October 28 (your teletype No. 101). Ends.

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150. DEA/50069-A-40

Le chef de la délégation à l'Assemblée générale des Nations unies
au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations,
to Secretary of State for External Affairs

TELEGRAM 144 New York, November 3, 1952

SECRET. IMPORTANT

CANADIAN STATEMENT ON KOREA

Addressed External No. 144, repeated Beaver No. 34.

Following for Weiss[42] from Freifeld,[43] Begins: Mr. Martin will make an important statement of approximately six thousand words on the Korean question at the beginning of this (Monday) afternoon's meeting of the Political Committee. He will begin speaking at around 3:15 p.m. His statement is likely to evoke a considerable number of press enquiries. In reply to such enquiries you might point out that in this statement, Canada is suggesting means by which, within the spirit of the United States resolution co-sponsored by 21 Powers, avenues could be explored to break the present deadlock in the armistice negotiations in Korea, with particular regard to the outstanding question concerning prisoners of war. Attention might be drawn to this significant point (which in the text is worded as a question) that there be no forcible detention and no forcible repatriation.

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[42] J. Elizabeth Weiss, du ministère des Affaires extérieures.
J. Elizabeth Weiss, Department of External Affairs.

[43] Sydney Freifeld, agent d'information, délégation à la septième session de l'Assemblée générale des Nations unies.
Sydney Freifeld, Information Officer, Delegation to Seventh Session of the General Assembly of the United Nations.

2. We will be issuing an advance text only shortly before the commencement of the statement. Important excerpts from the present draft may be teletyped to the Under-Secretary during the morning and if so, they will be repeated to Washington. We will not be able to send the definitive text as delivered until tomorrow morning at the earliest, although we just might be able to send you a copy tonight by airmail special delivery.

3. You might wish to review with Mr. Ritchie before three o'clock this afternoon the question of handling press enquiries. Ends.

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151. DEA/8508-40

Extrait du compte rendu de la réunion des chefs de direction

Extract from Minutes of Meeting of Heads of Division

SECRET Ottawa, November 10, 1952

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Korea — The Canadian Statement

6. *Mr. Ronning.* On November 3, the Canadian Representative (Mr. Martin) spoke in the Political Committee, and gave a lengthy statement of the Canadian position on this item. The chief points made by Mr. Martin in his statement were the following:

(a) He addressed a number of questions to Mr. Vishinsky in order to draw from the latter a more definite statement as to what the Soviet Union had in mind by proposing the establishment of a Commission "for the peaceful settlement of the Korean question." More particularly, Mr. Martin asked: "Would this Commission be created before an armistice had been concluded, or is it suggested that the cease-fire talks should continue while the Commission discusses other problems related to the "peaceful settlement of the Korean question?"

(b) Mr. Martin stated that the Canadian Delegation still stood by the Statement of Principles put forward on January 11, 1951, by the Cease-fire Group of the General Assembly. (This Statement of Principles was approved by the Political Committee on January 13, 1951, by an overwhelming vote.) He reminded the Committee that, under the terms of these principles, the proposed political conference would not take place until agreement had been reached on a cease-fire.

(c) On the specific question of repatriation of prisoners, Mr. Martin stated: "The Unified Command has proposed that any of a number of impartial groups might be organized to interview prisoners of war who have indicated that they will forcibly resist the final stage of their repatriation. In the circumstances no use of force would be possible, for the prisoners would be in a demilitarized area under the control of an impartial protecting agency. So far the Communist Command has failed to indicate why such a proposal is unacceptable. Perhaps the stumbling block is the composition of these suggested impartial protecting groups. Yet the Communist Command has been able to agree to other joint commissions. For example, they were able to agree to the composition of the commission provided for in article 37 of the draft armistice agreement. Agreement on similar lines might be possible for the task of interviewing the prisoners. If a protecting power were needed within the meaning of the terms of the Geneva Convention, consideration could be given to vesting the same group, or even another group of Powers, with this role. Those who refused to leave the neutral area would still retain the right to have their repatriation completed if and when they wished, and meanwhile they would be held by the protecting Powers in a manner to be determined."

(d) In reiterating Canadian support, for the 21-Power resolution, of which Canada is a co-sponsor, Mr. Martin stated: "The draft resolution provides an opportunity for anyone to offer any new suggestion which might lead to an armistice, recognizing the rights of all prisoners of war to express their desires with respect to repatriation before an impartial body. I note that the Government of Mexico has submitted a draft resolution which, in our estimation, was inspired by the highest motives of statesmanship and humanity. It might profitably be studied further so as to supply a practical scheme to provide for the disposition of prisoners of war who are unwilling to have their repatriation completed at the time of release from captivity and after being handed over to the impartial protection agency. My delegation would be glad to consider this proposal at an appropriate time and in the light of the progress made on the Twenty-one Power draft resolution now before the Committee."[44]

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[44] Voir Nations unies, *Documents officiels de l'Assemblée générale, septième session, première commission*, Comptes rendus analytiques des séances, pp. 61-66.
See United Nations, *Official Records of the General Assembly, Seventh Session, First Committee*, Summary Records of Meetings, pp. 59-63.

152. DEA/50069-A-40

Le chef de la délégation à l'Assemblée générale des Nations unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

TELEGRAM 158 New York, November 4, 1952

SECRET

KOREA

Reference: No. 157 of November 4† to Ottawa and No. 39† to Washington.

Addressed External No. 158, repeated Beaver No. 40.

Within an hour of Mr. Martin's statement in the Political Committee, November 3, Menon of the Indian delegation asked to see him. He said that he liked the Canadian statement and that it would be helpful to him to be able to refer to the ideas which it contained when he made his statement. He thought it might be interpreted as the first expression by a country with close relations with the United States of the possibility of some acceptable compromise being reached which would allow for settlement of the prisoner of war issue. Mr. Martin assured him that there was no ground for any belief that our speech represented a "feeler" put out by the United States and that, in fact, the United States delegation might not have been too happy with some of the suggestions made in the Canadian statement.

2. Menon thought that Mr. Martin might approach the United States delegation now and outline in more precise terms the suggestions which had been made by the Indian in the Commonwealth meetings. Menon thought that Mr. Pearson should not be involved in order that his freedom of action might not be impaired for some future role he could play. Mr. Martin suggested the possibility of the Indians and ourselves getting together with some United States officials, possibly with Mr. Pearson present, to discuss the whole question. Mr. Martin talked later with Mr. Pearson who indicated that he was seeing Menon today, November 4, and would explore with him the suggestions that Menon had made to Mr. Martin.

3. Ross[45] of the American delegation saw Mr. Martin yesterday and advanced the idea that Canada might be able to contact spokesmen of the Arab-Asian group to find out more precisely what their intentions were. You will have noted the attention which the press has given to a possible Arab-Asian resolution and specifically the story contained in Sunday's *New York Times* (November 2). Ross thought that if there was any merit in the idea, it should be a Canadian approach not involving the President. He, too, believed

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[45] **John C. Ross, représentant suppléant des États-Unis au Conseil de sécurité des Nations unies. John C. Ross, United States Deputy Representative on the Security Council of the United Nations.**

that the President's position should be safe-guarded for any possible role he may yet have to play.

4. We will be reporting in a separate telegram the views exchanged at a further Commonwealth meeting this morning, November 4.

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153. DEA/50069-A-40

Le chef de la délégation à l'Assemblée générale des Nations unies
au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations
to Secretary of State for External Affairs

TELEGRAM 160 New York, November 4, 1952

SECRET

COMMONWEALTH MEETING ON KOREA

Reference: Our telegram No. 158 of November 4, 1952.

Addressed External No. 160, repeated Washington No. 42.

The Commonwealth group met again this morning, November 4, on the problem of Korea. The meeting was devoted in the main to an attempt to get Menon to formulate more precisely the Indian views which have been put before the committee. In this attempt, the meeting was not successful.

2. Menon was obviously unwilling and possibly unable to agree to reducing his views, to writing, especially in the form of a draft resolution. Lloyd agreed that it might be unwise for the moment to get to the drafting of a resolution since it was difficult to avoid becoming wedded to words and formulae, some of which would be impractical unless we knew in advance that they would be acceptable to both sides. Lloyd did believe, however, that it would be most helpful if the Indian ideas could be spelled out in a statement to the committee before the end of this week in order that they would be on the record and could be taken into consideration in any "great marriage" of resolutions or ideas which the committee might undertake at a later date.

3. Mr. Martin suggested a possible alternative, that Menon might put his ideas on paper for circulation to the restricted Commonwealth group. It was agreed, at the suggestion of Casey, that the six Heads of Commonwealth delegations would meet, without advisers, on Thursday, November 6.

4. Lloyd made it clear to the meeting and to Menon that there was not much point in proceeding further unless it was understood by all that any possible compromise scheme would have to contain the following elements:

(a) Agreement by both sides that the prisoner of war exchange would be governed by the Geneva Convention;

(b) That no force would be used in repatriating unwilling prisoners;

(c) That while in theory it would be possible for our side to accept the idea of a protecting power or powers taking over custody of the prisoners in a demilitarized zone, it must be understood that in the completion of repatriation, we would have to be satisfied that the protecting power would provide against the forcible repatriation of prisoners who were unwilling to return. The theme of "neutral bayonets" was not considered at the meeting.

5. A few supplementary points were made in the discussion. Menon was firmly of the opinion that the Chinese would not accept any scheme such as that of the Mexicans which would allow for the removal of its citizens to a foreign country. There was some discussion also on whether the Unified Command could be bound by decisions of the General Assembly but it was agreed that if a scheme acceptable to all parties was put forward, it would be conveyed as orders to the Unified Command. Lloyd would obviously like the Indian statement to be made before Mr. Eden addresses plenary which, at the moment, is likely to be Tuesday, November 11. All representatives were concerned at the number of different and even conflicting resolutions which might come before the committee.

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154. DEA/50069-A-40

Le chef de la délégation à l'Assemblée générale des Nations unies
au sécrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations
to Secretary of State for External Affairs

TELEGRAM 179 New York, November 6, 1952

SECRET. IMPORTANT.

INDIAN PROPOSALS RE KOREA

Reference: Our telegram No. 160 of November 4.

Addressed External No. 179, repeated Washington No. 47.

At the Commonwealth meeting this morning Menon gave an account of the scheme which the Indians are now ready to suggest to the Political Committee on the subject of an armistice in Korea. Menon was unwilling to circulate the document from which he was reading but submitted to the questions of other members of the meeting for an hour and a half. The scheme which we will outline in paragraphs 2 to 10, inclusive, will form the operative part of a resolution which the Indians are likely to table on Monday, November 10. They will not be ready to speak however before the following day.

2. Repatriation under this scheme is to be effected according to the Geneva Convention. The release will be effected at agreed exchange points where prisoners will be handed over by the detaining powers to a "Repatriation Commission". Classification with regard to nationality and area will be undertaken by the commission, the whole process being removed from military control. For the detaining power the fact of releasing prisoners of war to the Repatriation Commission would constitute repatriation.

3. In the event that difficulty might arise if large bodies of prisoners had to be transferred from their present camps to demilitarized zones and that force

might even be necessary to effect such transfer, consideration might be given to the idea of demilitarizing the camps in which such prisoners are now held. The Repatriation Commission would then take over and be responsible for the prisoners in those demilitarized areas. After the process of classification has been completed prisoners of war will be free to return to their homeland according to the terms of Article 118 of the Geneva Convention.

4. Each of the parties to the conflict will be permitted access to the prisoners of war who have been held by the other party and will be given freedom to explain the situation and inform the prisoners of their rights. Red Cross teams will also have access to prisoners of war. Pending their return and during their temporary detention the prisoners of war will remain in the custody of the Repatriation Commission.

5. Prisoners of war will be entitled to make representation to the Repatriation Commission on matters pertaining to themselves and to inform it of their desires on any matter, as provided for in Article 78 of the Geneva Convention.

6. Prisoners of war shall at all times be treated humanely according to the terms of Article 13 of the convention. Force shall not be used or be permitted to be used against them by any party for any purpose and the commission will be responsible in this regard. This would not, however, prevent the commission from exercising the normal disciplinary rights of a protecting power under the terms of the convention.

7. In the case of disagreement in the commission, on the execution of the programme of release and repatriation of prisoners of war, the majority will decide. If there is a deadlock between the four members of the commission an umpire will be called in. (There is some reference to such a procedure in Article 11 of the convention but it would appear that the umpire in the present scheme would have more power than provided for in that article.) In order to avoid the possibility of a deadlock the four powers will be directed to appoint an umpire at their first meeting.

8. The terms of the repatriation arrangements will be made known to all prisoners of war.

9. The President of the Assembly will be requested by the General Assembly to transmit to the Unified Command, the Chinese People's Republic and the Korean authorities the text of the resolution with the comment that these terms are just and reasonable and that the parties to the conflict should reach an agreement on that basis as soon as possible.

10. The resolution will repeat the words of paragraph 60 of the draft armistice agreement with respect to a political conference. The administrative link whereby this political conference would be convened will be provided for by a committee of three appointed by the General Assembly and consisting of the President of the Assembly and his two immediate predecessors. Their role would be merely to make the necessary arrangements for the setting up and convening of a political conference.

11. Within the context of the present scheme the Repatriation Commission would consist of those four countries, i.e., Sweden, Switzerland, Poland and

Czechoslavakia, referred to in Article 37 of the draft armistice agreement. No suggestion was made as to which country would fill the role of umpire.

12. Menon was unwilling to commit himself as to whether the Chinese would accept the scheme outlined but added that "depending on the way it was presented to them it may possibly be accepted."

13. Most of the meeting was devoted to clarification of the scheme and there was general agreement that it was worth considering. No delegate around the table, however, committed his government to it.

14. Menon, who has been in touch with the United States delegation, gave the meeting the impression that generally they were not opposed to his scheme. On the other hand Ross and Allen of the United States delegation have been more reticent in voicing their approval in their comments to us. There are to be further contacts, however, between the United States and Indian delegations and it is likely that it will be possible for them to come to an understanding. We understand that the Indian scheme is to be submitted to Mr. Acheson tonight, November 6, for his consideration.

15. So many resolutions have already been submitted on this issue that the problem of procedure will loom large when it comes to a vote. If the Indian scheme is acceptable to most delegations it may be possible to find some way to put it to a vote first and to send it immediately to the Unified Command and the Chinese and North Korean authorities. At this stage the fate of the other resolutions is unknown.

16. Since the Indians will not be speaking on their resolution before November 11, this gives us some little time to consider the implications of their scheme and we should be most grateful for any comments you would care to send us.

155. DEA/50069-A-40

Le sous-secrétaire d'État aux Affaires extérieures
au chef de la délégation à l'Assemblée générale des Nations unies

Under-Secretary of State for External Affairs
to Chairman, Delegation to the General Assembly of the United Nations

TELEGRAM 100 Ottawa, November 10, 1952

SECRET. IMMEDIATE.

KOREA — INDIAN PROPOSAL

Reference: Your teletypes Nos. 101, 117, 127, 158, 160 and 179, and our teletype No. 75† of November 4.

Following for the Under-Secretary, Begins: The various Divisions concerned have now examined Krishna Menon's proposal, as given in your teletypes under reference, and the following comments are offered on the basis of this examination.

2. Our understanding is that the principal points of Menon's proposal might be summarized as follows:

(a) repatriation in accordance with the Geneva Convention;

(b) release to a Repatriation Commission at agreed exchange points which, for the detaining power, would constitute repatriation;

(c) classification of the prisoners with regard to nationality and area by this Repatriation Commission;

(d) demilitarization of present camps as a possible substitute for transfer to demilitarized zones;

(e) prisoners to be free to return to their homeland once the process of classification had been completed;

(f) access to prisoners by parties to the conflict and by Red Cross teams;

(g) pending return, and during temporary retention, prisoners would remain in custody of Repatriation Commission;

(h) force not to be used "by any party for any purpose";

(i) in case of disagreement among the four members of the Commission, an Umpire would be called in to decide the point in question.

3. Your teletype No. 117 of October 29 expressed concern to ensure that the stand which we might take, in presenting our case publicly, would not be inconsistent with the concern that was in the minds of our representative at Geneva — namely, that Canadians in future wars would not be deprived of any of the protections of the Geneva Convention on the pretext that they desired to renounce such protection. We have borne this in mind in preparing the following comments.

4. It is no doubt possible to argue that compliance with the letter of the Geneva Convention might involve forcible repatriation, and to give the Convention this interpretation might have some future advantages for us in recovering Canadian prisoners. It might also be theoretically possible to argue that the Korean problem should best be dealt with without reference to the Geneva Convention, so that in future cases we would not be bound by any precedent of retention of prisoners. In fact, however, the proposals under discussion are related to the Geneva Convention, and it is not possible to avoid the issue. We are committed to opposing forcible repatriation and must, therefore, I consider, accept the consequences which ensue from an interpretation of the Geneva Convention which does not involve forcible repatriation.

5. Notwithstanding the disadvantages referred to above, there are undoubted advantages in being able to state that proposals for the repatriation of Korean prisoners should be in accordance with the Geneva Convention. It would no doubt be bad propaganda to accept that they are not, or to consider them as special exceptions. It is to our advantage to re-affirm that, in accordance with the Geneva Convention, prisoners shall be repatriated and shall not waive this right.

6. The problem posed above would be, we believe, substantially resolved by a scheme which envisaged that the detaining powers should not be permitted to

detain prisoners on the pretext that they had waived their right to repatriation, and that they should be obliged to release all prisoners and ensure that facilities were provided for the prisoners to reach their homes — the obligation of the detaining power under the Convention being discharged by the release of the prisoners to neutral powers which would assume the obligation of ensuring that these facilities were provided and that the prisoners were released.

7. We consider that a scheme containing the elements set out in the preceding paragraph would not only be within the spirit of the Convention, but it can be argued that it would be within the letter of it. The detaining power should not be charged with a breach of the Convention unless that power itself retained prisoners on the pretext that they had waived their rights. Further, the Convention provides that, under Article 6, the parties may conclude other special agreements for all matters concerning which they may deem it suitable to make special provision, so long as no special agreement shall adversely affect the situation of prisoners as defined by the Convention, nor restrict the rights which it confers upon them. The moving of prisoners of war to a demilitarized zone under the supervision of an impartial agency, and with full facilities for their repatriation, in no way restricts the rights of a prisoner of war, as provided by the Convention.

8. The considerations set out above lead us to the conclusion that a formula acceptable to us should contain the following elements:

(a) full compliance with the Geneva Conventions;

(b) non-forcible repatriation of prisoners;

(c) provide a safeguard that prisoners do not waive the exercise of the right to repatriation;

(d) ensure the release from custody of all prisoners.

9. An examination of Mr. Menon's proposal, with these factors in mind, leads us to the conclusion that our first three points are met, but that the situation as to the fourth is somewhat obscure. When the Menon proposal was first put forward (your teletype No. 101, of October 28) it was suggested that he considered that his formula implied that *de jure* all prisoners would be apt to be repatriated by force, even though *de facto* there would have been an agreement to the contrary. We could not accept this interpretation being given to the Convention. His proposal, as elaborated in your teletype No. 179, envisages that prisoners will be classified as to nationality and area, after which they will be free to return to their homeland. It does not appear that they are, in fact, to be immediately released, nor is there any provision for them to choose to go elsewhere than home, although force cannot be used to make the prisoners go home. Apparently they will be retained until some solution is found. Notwithstanding the provision against the use of force, there is, of course, some danger in leaving the final solution to the Umpire to be appointed by the members of the Commission named. In addition, there are obvious practical difficulties in dealing with large bodies of prisoners who will be under some pressure from within the camps, if the assumption is correct that they will

be screened as to nationality and to area of residence only, and not as to their wishes.

10. The objections set out in the preceding paragraph do not necessarily show that the Menon proposal is unacceptable. It might be tied in with some other proposal for the eventual disposition of those prisoners who did not wish to go home. Moreover, there is, of course, some advantage in deferring the decision as to the eventual disposition of the prisoners provided that an absolute discretion is not given to an Umpire whom we may not completely trust. If the prisoners are not to be forcibly retained by the Repatriation Commission it seems that the Menon proposal must be tied in with some provision for their being granted asylum elsewhere, for example some such formula as the Mexican proposal.

11. The formula suggested in the United Kingdom Circular Y. No. 413 of November 6† (forwarded to you by bag on Saturday, November 8), seems preferable from our point of view, particularly as it contains a specific statement that prisoners of war will be neither forcibly repatriated nor forcibly detained. This would maintain the principle that the prisoners are, in fact, to be released and that even the Repatriation Commission cannot forcibly detain them. In this connection, we are rather attracted by the suggestion that inspection teams of neutral nations, assisted by the national Red Cross Societies of both sides, might supervise the implementation of this principle. Possibly this might be a more practical alternative than the Repatriation Commission suggested by Menon.

12. We appreciate that some of these comments may be out of date by the time they reach you, particularly in view of the rapid march of events in New York. However, they are transmitted for whatever background value they may have. Ends.

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156. DEA/50069-A-40

Le chef de la délégation à l'Assemblée générale des Nations unies
au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations,
to Secretary of State for External Affairs

TELEGRAM 266 New York, November 14, 1952

CONFIDENTIAL

UNITED STATES VIEWS ON INDIAN PROPOSALS REGARDING KOREA

Addressed External No. 266 repeated Beaver No.78.

A meeting was held November 13 on United States initiative of representatives of 21-Powers co-sponsoring the resolution on Korea. Gross of the United States was in the chair. He presented United States views on the Indian scheme which echoed those put forward by Mr. Acheson in a meeting earlier in the day with Mr. Pearson and Mr. Eden on which we shall be reporting separately.

2. Gross began his resume of the Indian scheme with a statement that the United States delegation had not seen the scheme set out on paper, an assertion which might have been diplomatically necessary but was too blunt and which led Gross into difficulty later in his presentation. He did not do full justice to the Indian scheme as we knew it although he did not actually deliberately misrepresent its main elements.

3. In the United States view any resolution to be acceptable would have to contain clear affirmation of the principle of non-forcible repatriation. He "had the impression" that the Indian scheme would attempt to hide this principle. Gross was not satisfied from his conversations with Menon as to the acceptability of the structure and method of operation of the proposed repatriation commission. He regarded Menon's reference to the neutral nations supervisory commission as a "false analogy" since that body had been agreed to only as "an intelligence body" and not one which would have executive functions. The United States believed that it might be possible at the Assembly to agree in principle to a repatriation commission leaving the details to be worked out between the negotiators at Panmunjom.

4. One of his main objections to the Indian scheme seemed to centre around its lack of exact provision for those prisoners who would refuse to be repatriated. The scheme, he said, offered only the two choices of repatriation on the one hand or indefinite detention on the other. He failed to note that the United Nations Command proposals have the same blank spot. He also objected to the provision for the appointment of an umpire by the repatriation commission, or in the event of its failure to agree, by the General Assembly. In brief, his argument was the following: The truce talks were deadlocked; our side took its stand on the moral issue of non-forcible repatriation; a further deadlock could occur with respect to the appointment of an umpire; our position would then be less defensible in the consequent shift from moral to political grounds.

5. It was apparent that few of the representatives at the meeting were prepared to say much without having the text of the Indian proposals before them. Jebb of the United Kingdom was of the opinion that we should give any Indian scheme serious consideration provided only it protected the essential principle of non-forcible repatriation and he noted the value of obtaining as many votes as possible for any resolution with respect to Korea. Hoppenot[46] of France suggested that this was "the last chance to find a solution to the Korean problem" for the Assembly and thought that in view of the initiative taken by the Indian delegation we should look at their proposals in the spirit of compromise. Spender of Australia spoke at greatest length, the main tenor of his argument being that the resolution should lay down broad principles only

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[46] Henri Hoppenot, représentant permanent de la France aux Nations unies; représentant au Conseil de sécurité; en l'absence du ministre des Affaires étrangères, chef de la délégation française à la septième session régulière de l'Assemblée générale.
Henri Hoppenot, Permanent Representative of France to the United Nations; Representative on the Security Council; Chairman in absence of Foreign Minister, French Delegation to Seventh Regular Session of the General Assembly.

which might be implemented by the negotiators in Panmunjom in which would be included the idea of a repatriation commission. He agreed with Gross that the 21-Power resolution might be amended but he argued firmly that it should not be thrown out in too great a haste. Engen[47] of Norway said that he understood Sweden and Switzerland would not serve on any commission which did not have clearly defined duties or on one which was required to act before full agreement on the disposition of prisoners of war had been reached.

6. It would have been very difficult for us to speak at the meeting without taking serious issue with Gross on his interpretation of the Indian scheme. This might have been necessary had he attempted to torpedo the scheme altogether. Since he did not, we decided to save our arguments until the next meeting of the 21-Powers when the Indian resolution will be available.

7. We hope to be able to send you shortly the text of the Indian resolution. It has been going through almost daily change and to have sent it to you in one of its many drafts might ony have led to confusion.

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157. DEA/50069-A-40

Le chef de la délégation à l'Assemblée générale des Nations unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations to Secretary of State for External Affairs

TELEGRAM 267 New York, November 15, 1952

SECRET

INDIAN DRAFT RESOLUTION ON KOREA

Reference: Our teletype No. 266 of November 14.

Addressed External No.267, repeated Beaver No. 79.

Following is the text of the latest draft, November 15, of a possible resolution on Korea to be submitted by the Indian delegation. Our comments will follow. We are not certain that this draft resolution will be introduced. Text begins:

The General Assembly

Having received the special report of the United Nations Command of the 18 October 1952 on the status of military action and armstice negotiations in Korea;

Noting with approval the considerable progress made by negotiation and tentative agreements to end the fighting in Korea and to reach a settlement of the Korean question;

Noting further that disagreement between the parties on one remaining issue alone prevents the conclusion of an armstice and that a considerable measure of agreement already exists on the principles on which this remaining issue can be resolved;

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[47] Hans Engen, représentant permanent de la Norvège aux Nations unies.
Hans Engen, Permanent Representative of Norway to the United Nations.

Mindful of the continuing and vast loss of life, devastation and suffering resulting from and accompanying the continuance of the fighting; deeply conscious of the need to bring hostilities to a speedy end and for a peaceful settlement of the Korean question;

Anxious to expedite and facilitate the convening of the political conference as provided in Article 60 of the Armistice Agreement;

Affirms that the release and repatriation of prisoners of war shall be effected in accordance with the "Geneva Convention Relative to the Treatment of Prisoners of War", of 12 August 1949, the well-established principles and practice of international law and the relevant provisions of the draft armistice agreement;

Affirms that force shall not be used against prisoners of war to prevent or effect their return to their homelands, and that they shall at all times be treated humanely in accordance with the specific provisions of the Geneva Convention and with the general spirit of that convention;

Accordingly requests the President of the General Assembly to transmit, along with this resolution, the following proposals to the Central People's Government of the People's Republic of China and to the North Korean authorities as forming a just and reasonable basis for an agreement and to invite their acceptance of these proposals and to make a report to the General Assembly during its present session and as soon as appropriate:

Proposals

1. In order to facilitate the return to their homelands of all prisoners of war there shall be established a repatriation commission consisting of the representatives of Czechoslovakia, Poland, Sweden and Switzerland, or, alternatively, of four states, two to be nominated by each side, but excluding any permanent member of the Security Council.

2. Prisoners of war shall be released to the Repatriation Commission from military control and from the custody of the detaining side in agreed numbers and at agreed exchange points in agreed demilitarized zones.

3. Classification of prisoners of war according to nationality and domicile as proposed in the letter of October 16 from General Kim Il Sung, Supreme Commander of the Korean Peoples Army, and General Peng Teh Huai, Commander of the Chinese People's Volunteers, to General Mark W. Clark, shall then be carried out immeditely.

4. After classification, prisoners of war shall be free to return to their homelands forthwith, and their speedy return shall be facilitated by all parties concerned.

5. Each party to the conflict in accordance with arrangements prescribed for the purpose by the Repatriation Commission shall have freedom and facilities to explain to the prisoners of war depending upon them their rights and to

inform the prisoners of war on any matter relating to their return to their homelands and particularly their full freedom to return.

6. Red Cross teams of both sides shall assist the Repatriation Commission in its work and shall have access, in accordance with the terms of the draft armistice agreement, to prisoners of war while they are under the temporary jurisdiction of the Repatriation Commission.

7. Prisoners of war shall have freedom and facilities to make representations and communications to the Repatriation Commission and to bodies and agencies working under the Repatriation Commission, and to inform any or all such bodies of their desires on any matter, concerning themselves, in accordance with arrangements made for the purpose by the Commission.

8. Notwithstanding the provision of Paragraph 10 below, force shall not be used against prisoners of war to prevent or effect their return to their homelands and no violence to their persons or affront to their dignity or self-respect shall be permitted in any manner or for any purpose whatsoever. This duty is enjoined on and entrusted to the Repatriation Commission and each of its members.

9. Prisoners of war shall at all times be treated humanely in accordance with the specific provisions of the Geneva Convention and with the general spirit of that convention.

10. Nothing in this repatriation agreement shall be construed as derogating from the authority of the Repatriation Commission (or its authorized representatives) to exercise its legitimate functions and responsibilities for the control of the prisoners under its temporary jurisdiction.

11. The terms of this repatriation agreement and the arrangements arising therefrom shall be made known to all prisoners of war.

12. The Repatriation Commission is entitled to call upon parties to the conflict, its own governments, or the member states of the United Nations for such legitimate assistance as it may require in the carrying out of its duties and tasks: and in accordance with the decisions of the commission in this respect.

13. When the two sides have made an agreement for repatriation based on these proposals, the interpretation of that agreement shall rest with the Repatriation Commission. In the event of disagreement in the Commission, majority decision shall prevail. When no majority decision is possible, an umpire agreed upon in accordance with the succeeding paragraph and with Article 132 of the Geneva Convention of 1949 shall have the deciding vote.

14. The Repatriation Commission shall at its first meeting and prior to an armistice proceed to agree upon and appoint an umpire. If agreement on the appointment of an umpire cannot be reached by the Commission within a period of three weeks after the date of its first meetings, this matter shall be referred to the General Assembly,

15. The Repatriation Commission shall also arrange for officials to function as umpires with inspecting teams or other bodies to which functions are delegated or assigned by the Commission or under the provisions of the draft

Armistice Agreement, so that the completion of the return of the prisoners to their homelands shall be expedited.

16. When the repatriation agreement is acceded to by the parties concerned and when an umpire has been appointed under Paragraph 10 above, the draft armistice agreement, unless otherwise altered by agreement between the parties, shall be deemed to have been accepted by them. The provisions of the draft armistice agreement shall apply except in so far as they are modified by the Repatriation Agreement. Arrangements for repatriation under this agreement will begin when the Armistice Agreement has been concluded.

17. At the end of 90 days from the conclusion of this armistice the disposition of any prisoners of war whose return to their homelands has not been effected in accordance with the procedure set out above shall be referred by the Repatriation Commission to the Political Conference to be called under Article 60 of the draft armistice agreement. Text ends.

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158. DEA/50069-A-40

Le chef de la délégation à l'Assemblée générale des Nations unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations to Secretary of State for External Affairs

TELEGRAM 281 New York, November 14, 1952

SECRET

KOREAN NEGOTIATIONS

Following from the Minister, Begins:

1. I attended a meeting at the Waldorf Astoria on November 13 in Mr. Eden's suite to discuss the various resolutions now before the Assembly concerning Korea, and particularly the draft Indian resolution on which, as President of the Assembly, I have been working closely with Krishna Menon, but which has not yet formally been put forward. The following were present: Messrs. Eden, Selwyn Lloyd, Jebb (U.K.), Acheson, Gross (U.S.), Spender (Australia), Webb (New Zealand), Schuman, Hoppenot (France).

2. Eden circulated on an informal basis copies of the draft Indian resolution (which I had gone over in detail with Menon the day before), indicating that he had not been authorized by the Indians to do so and that the draft resolution was not yet in final form. The text as circulated was virtually identical with the text I had worked on with Menon the day before.

Acheson and Gross arrived a few minutes late having just come from a long talk with Menon about the draft Indian resolution.

3. Acheson said that, in his talk with Menon, he had raised several objections to the draft resolution:

(1) That it did not make it sufficiently clear that force would not be used in the repatriation of the prisoners of war;

(2) That it did not really solve the problem of the "hard core" of prisoners of war who would resist being sent back to Communist territory; and

(3) That the concept of an "umpire" as set forth in the Indian draft resolution was full of difficulties.

The central difficulty arose on the first two points. The draft Indian resolution in effect was heavily weighted to force the repatriation of the prisoners of war and left little or no escape for the non-Communist prisoners of war who, in effect, faced a choice between (a) being returned to Communist territory, or (b) remaining in custody under the control of the repatriation commission until they agreed to be repatriated, or until their future was settled at some remote political conference. The whole burden of the Indian draft resolution, therefore, was on the side of forcing the prisoner to stay in custody until he should agree to repatriation. In effect, the draft Indian resolution really gave the prisoner no choice. It was necessary to ensure that after the prisoner had been informed of the choices before him there should be some possibility open for him other than the choice between continued detention in the demilitarized zone or (what would amount to) forced repatriation. At some point the prisoner had to be turned loose. Who would turn the prisoner loose? Acheson had argued that this was clearly the responsibility of the detaining power. But under the Menon resolution, the responsibility was placed upon the five-man commission. In case of a deadlock (which would be inevitable since the Communist powers on the commission would vote to repatriate the prisoner), it would fall to "the umpire" mentioned in the resolution.

4. The composition of the commission proposed in the draft Indian resolution was a real difficulty. The United States favoured leaving its composition blank; and would like an impartial "umpire". The composition should be left to the negotiators at Panmunjom, and should not be spelled out in a resolution. Menon had favoured naming four parties on the grounds that to the Communists there was no such thing as an "impartial" state; that the four states were already named in the draft armistice agreement for other purposes; and that this procedure would forestall the possibility of a Soviet request for membership. The United States' side saw great danger in getting agreement on the "umpire", and making this issue the breaking point; they would prefer to stick to the present moral issue of non-forcible repatriation. Acheson felt that Menon's reference to the neutral nations supervisory commission was inaccurate. That commission had only "reporting" and intelligence functions, it was not an executive agency.

5. Another difficulty related to the final provision of the draft Indian resolution which calls on the President of the Assembly and two past-presidents to convene the proposed political conference referred to in Article 60 of the draft armistice agreement. As Acheson saw it the problem of a political conference had two main aspects. The first was practical: i.e. by diplomatic intercourse to decide upon the composition of the conference (which should include representatives of the Communist states, of United Nations states with forces in Korea, and of neutral states). The second problem was legal. It must

be recognized that the future of Korea could not be finally decided by a small group of states, but was a matter of concern to the United Nations as a whole.

6. Mr. Acheson firmly repeated his view that we should stand firm on the 21-Power resolution and amend it where necessary consistent with its main principles. Over the past five months, he said, there had only been two real alternative propositions put by the Communists: to return the prisoners to Communist territory, or to agree to an armistice now, leaving the prisoners of war question for later determination. The draft Indian resolution in its present form would represent a capitulation to the Communists and would be so interpreted by them. This position was supported by Mr. Spender although he said he was expressing only his personal view. Mr. Spender said that any final decision on the Australian position would have to be taken by his Government. He thought it was necessary to stand fast on the principle of non-forcible repatriation and not to retreat.

7. In reply to Acheson I said it was all important to get an armistice; that it was important to get the Indians to get off the fence to the extent to which they had done in going so far with the draft resolution; that we had to make efforts even if our efforts were rejected by the Chinese; that we had not abandoned the principle of non-forcible repatriation. In reply to the argument that the draft Indian resolution did not resolve the problem of the "hard core", and that these prisoners "had no future", I pointed out that they "had no future" at present and that the draft Indian resolution, if it were accepted by the Chinese, might have the effect of appreciably reducing the size of the problem. Although I agreed with Mr. Acheson that the Indian resolution was confused and blurred, and that we should not dismiss the possibility that we might be led up the garden path by the Chinese, the draft resolution (or something like it) should be pursued. Would it not be possible to provide more clearly in the draft that "force shall not be used against prisoners of war *in respect of repatriation*?"

8. To the criticism that the machinery of the neutral commission would result in deadlock, I pointed out that the commission's position was similar to that of the body provided for in the draft armistice agreement. There were possibilities of deadlock throughout this whole agreement. In the last resort, its implementation depended upon good faith. This was a risk one took in trying to work out an armistice with the Communists.

9. In this general view I was supported by Selwyn Lloyd, and to some extent by Webb.

10. Schuman said little during the discussion, but was clearly sympathetic to an approach on the lines of the Indian proposals. He thought it might be possible to amend the 21-Power resolution, and that we should look carefully at the Indian proposals with a view to seeing whether at a later stage the two proposals might not be married. Lloyd (who did more talking than Eden) thought the draft Indian resolution might be amended to make it clearer that force would not be used in repatriation or detention, to take account of Acheson's criticism that the Indian proposals failed to provide an alternative to the choice between continued detention and repatriation, and to meet the United States difficulties concerning the idea of an "umpire" on the four-man

commission. If the proposals could be modified on these lines, they might receive wide support, certainly wider than now likely to be gained for the present 21-Power resolution.

11. Later in the day, I met with Menon and Selwyn Lloyd and considerable progress was made in persuading Menon to accept a number of changes in his draft on the lines of the discussion. Ends.

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159. DEA/50069-A-40

Le chef de la délégation à l'Assemblée générale des Nations unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations, Secretary of State for External Affairs

TELEGRAM 283 New York, November 15, 1952

SECRET

KOREAN NEGOTIATIONS

Following the discussion in Acheson's suite yesterday on NATO matters, and when the others had left, Mr. Acheson took up with Mr. Eden and Mr. Pearson the "serious difficulties" which the proposed Indian resolution on Korea posed for the United States side.

2. Acheson said that the text itself was in such a constant state of change that he had not been able so far to inform Washington of its precise contents. On the basis of the latest draft he had seen he pointed out three principal objections:

(1) While the text of the draft resolution had been improved as a result of Mr. Pearson's talks with Selwyn Lloyd and Menon to make it clear that "force shall not be used against prisoners of war to prevent or effect their return to their homelands", the language in the actual proposals concerning the details of the repatriation arrangements was less clear, and no provision had been made in the language used to request the President to transmit both the resolution and the proposals to the Chinese and North Koreans.

(2) The Indian proposals did not resolve the problem of the hard core of prisoners who would remain under detention in the demilitarized zone. In effect, the Indian proposals would bring about an armistice only on the basis of leaving the prisoner of war problem unsolved, a proposition which the Communists had previously urged. Such a resolution would create grave problems on the military side for the Unified Command since it would leave the Communists with a pretext for resuming hostilities at a time more propitious to their own cause. Once the provisions of the draft armistice agreement had come into effect, the safeguards now available to the Unified Command would cease, and the Communists could continue to make difficulties about the prisoners remaining under the control of the Commission.

(3) The acceptance of the part of the plan relating to the umpire's functions would in effect take matters out of the hands of the Unified Command and the

Joint Chiefs of Staff, and would in all likelihood be unsatisfactory to the military.

(4) In general terms, Acheson referred to the importance of the "greater sanction" in Korea, drawing a parallel with Berlin where the deterrent to Communist aggression was not our small forces in Berlin, but the threat of counter-measures on a great scale.

3. Mr. Pearson agreed at once with Acheson's first point. This was a matter which could be remedied by making the language of the detailed proposals consistent with that of the resolution, and by providing for a request to the President to transmit *both* [to?] the Chinese and North Koreans. On the larger difficulty which Acheson foresaw, however, Mr. Pearson was unable to agree with his view of the effect of the present provision of the proposals according to which "at the end of 90 days from the conclusion of this armistice the disposition of any prisoners of war whose return to their homelands has not been effected in accordance with the procedures set forth above shall be referred by the Repatriation Commission to the political conference to be called under Article 60 of the draft armistice agreement". If the Communists at any time wanted to resume hostilities, it would not be hard for them to trump up excuses, and they would not have to rely on the failure of the Commission to arrange for the repatriation of all the prisoners of war under their jurisdiction. The Repatriation Agreement provided for in the Indian proposals would become an integral part of the armistice arrangements. Any part of this agreement could be violated by the Communists should they choose to do so. The problem of prisoners of war was of large dimensions at the present time and was unresolved; it might be reduced to manageable proportions by an arrangement on the lines the Indians suggested.

4. Acheson held firmly to his point, however, that the Indian proposals would create great difficulties for the military and would be unlikely to command acceptance by the Joint Chiefs of Staff whose opinion would weigh heavily with the President. He would, however, send the resolution forward as soon as a final text was available. He warned, however, that we might find ourselves with a draft which would be voted against by both the United States and the U.S.S.R., unless some way could be found to overcome these difficulties.

5. Mr. Eden referred to the speeches made in the First Committee by the representatives of Pakistan and Israel, but did not argue at any length about Acheson's point concerning the military implications.

6. We understand that the present intention is that Menon will table his draft on Monday, but that he will not speak until Wednesday next in the Political Committee. We shall send you a text as soon as it is available.

160. DEA/50069-A-40

Le chef de la délégation à l'Assemblée générale des Nations unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs.

TELEGRAM 291 New York, November 17, 1952

TOP SECRET. IMMEDIATE.

KOREAN NEGOTIATIONS

Following from the Minister, Begins: Acheson asked me to attend a further meeting on the draft Indian resolution on afternoon of November 16. Also present were Lovett, General Bradley, Gross, and Selwyn Lloyd. The United States side was anxious to keep the presence of Washington visitors in New York as secret as possible. It was clear that Acheson had referred an early text of the Indian draft to Washington which had been carefully scrutinized in the Pentagon. As a result of this scrutiny, Acheson had in front of him a revised "United States" text of the Indian resolution which he said incorporated the change required by the United States side after Defence Department study, and which had received the "tentative approval" of the President.

2. Acheson said there had been three principal points of concern: it was necessary (1) to make it clear that there should be no forcible return of the prisoners; (2) to clarify the composition and functions of the commission; (3) to ensure that the General Assembly was not writing the "final word" on the prisoner of war arrangements, but that this was a matter for the negotiators at Panmunjom. As it stood, paragraph 17 of the draft Indian resolution was unacceptable. The United States could not accept an arrangement which left a hard core of prisoners under the continued control of the commission for an indefinite period. In some way, there had to be a provision either for their return, or for them to be turned loose at some stage. To leave their final disposition undefined and in the hands of the commission, or to refer it to the political conference foreseen in the draft armistice agreement were not solutions, particularly since the date of a political conference could not now be foreseen. Some alternative which would turn the prisoners loose after a foreseeable period must be envisaged.

3. Lovett took up the argument at this point. It was the considered view of the Defence Department, and this reflected the view of General Clark, that the "Menon draft" as received in Washington was militarily "completely unacceptable". It would increase the hazards to our own forces, since it failed to make clear the conditions under which a breach of the armistice might occur, and did not provide the necessary guarantees to protect our own forces. It contained a number of what he described as "erroneous assumptions". One of these was that the prisoner of war question was the only unresolved item in the negotiations. This was not the United States view, since the prisoner of war issue had to be put into context of the long drawn out negotiations at

Panmunjom. It had to be realized, for example, that the arrangement agreed to by the Unified command with respect to airfields was contingent on a satisfactory solution of the prisoner of war issue. Therefore, the solution of the prisoner of war question had to be effective and acceptable before the rest of the armistice agreement could be agreed. If it were not effective, our military position would be weaker.

4. A further "erroneous assumption" was that what he termed a "capitulation" on the prisoner of war issue would secure an immediate armistice. The United States authorities recognized their military responsibilities to all the United Nations forces. It was erroneous to assume that there was more hope of getting agreement through the elimination of military pressure than there was through its application. Every advance in the negotiations had come about as a result of military pressure. The "modified" draft attempted to meet the stated purpose of the Indian views, in the light of military requirements.

5. General Bradley then took up the cudgels. The draft resolution he had seen had not clearly specified that there was to be no forcible repatriation (he had seen an earlier text). It was indefinite on the question of the final disposition of the prisoners, and this problem could drag on indefinitely. It did not make clear at what point the "greater sanction" would be invoked. An armistice on this unsatisfactory basis which left the prisoner of war question unresolved would jeopardize the security of our own forces since it would permit the enemy to build up supplies, airfields, etc., and would permit them to send down subversive agents to United Nations prisoner of war camps who could do great harm. In short, our own pressure would come off if and when we get an armistice. What we really wanted was an armistice that would be final and definitive, and which would not lead to renewed hostilities. The draft Indian resolution on the other hand really provided for forcible repatriation. It was necessary to provide in the resolution for the assumption of some measure of continued responsibility by the General Assmembly.

6. On the non-forcible repatriation point, Lovett remarked that there had been a Senate resolution (Jenner[48] had been one of its leading sponsors) which clearly illustrated the bipartisan character of the support for this principle.

7. In reply, Selwyn Lloyd pointed out that, in the United Kingdom view, the practical prospect had been that there would have been an Indian resolution in any case. The effort had been made to improve it, and to try to get something more acceptable on the use of force and on other points. The prospect now was with that principle now so clearly set forth in the resolution and the proposals, the Chinese would reject it. But at least it would have the effect of rallying a wide segment of Asian opinion to our side, and would have considerable propaganda value. Paragraph 12 of the proposals made it clear that we were not trying to reach final agreement in New York, and that final action was a matter for the negotiators. There was no argument on this score. Paragraph 16, (providing for a reference by the repatriation commission to the political

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[48] William E. Jenner, sénateur des États-Unis (Indiana).
William E. Jenner, United States Senator (Indiana).

conference), he admitted, would have to be looked at again. But he thought Menon had in mind something along the lines of the Mexican and Peruvian resolutions, as an alternative sort of solution which the commission or the political conference might consider at a later stage. Bradley commented at this point that a political conference might take years, and that the General Assembly should take up its responsibilities.

8. I said I thought it might meet this point to have the repatriation commission make its recommendations to the political conference or to the General Assembly; and that other changes might be made in the draft resolution in committee. But in no sense, I argued, could the proposals in their latest form, or indeed at any stage, be regarded as a "capitulation". It was to be assumed that, given a solution of the prisoner of war problem, the keeping of the armistice arrangements ultimately depended on the good faith and intentions of the Communists. Nor could I agree that a solution of the prisoner of war issue on the lines proposed would affect the ability of the Communists to resume the fighting should they wish to do so. Further, an armistice, including a prisoner of war agreement carefully worked out on these lines, would have the advantage that it would make it possible to get our own prisoners back sooner.

9. Lovett again re-emphasized the important consideration of the safety of our own forces. The Unified Command could not afford now to have a "cease fire" without a clearcut indication as to what would constitute a breach of the peace, and under what conditions the "greater sanction", i.e., stage two, would be applied. Bradley added that the purpose of an armistice was to conclude a definitive agreement which would permit us to bring our troops home. This could not be done unless the prisoner of war question were finally settled, not just postponed. A false armistice would prevent our hitting the Communists' line of supply and would create serious problems for the military.

10. Because of another commitment, I had to leave before the end of the meeting, but Selwyn Lloyd was subjected to arguments along these lines for some time afterwards. It was clear that Acheson had been given a difficult time by the United States Chiefs of Staff and that he was anxious for Lloyd and myself to hear these arguments for ourselves. I assume you will wish to consult our Department of National Defence on the points raised by Lovett and Bradley in the light of the draft Indian resolution and I should welcome your comments after consultation with National Defence.

11. Later the same evening, a further meeting was held with Lloyd, Jebb and Gross, at which I was represented and at which Gross made it clear that an Indian initiative would not on the whole be welcome by the United States. The principal reasons which he advanced for this were that United States official and public opinion was "fed up" with India, as a result of its neutralist position over recent years, that many members of the twenty-one-power group would not support an Indian initiative, and that any approach on these lines would be calculated to lower still further the position of the United Nations in the eyes of American public opinion. It was clear from Gross' comments that the United States wished, as he put it, to retain the initiative and that there was

little or no value in the fact of Indian sponsorship and activity on the prisoner of war question. Gross hoped that, at the twenty one power meeting scheduled for today, on which a separate report will be going forward to you, it would be possible to rally for the twenty-one power resolution, if necessary amended to incorporate those points in the Menon draft acceptable to the United States Government.

12. We were shown at this meeting the text of the principal amendments to the draft Indian resolution which would be required by the United States side after consultation with the Pentagon. Needless to say, the views of Gross concerning the value of an Indian initiative were not shared either by Selwyn Lloyd or by ourselves. Ends.

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161. DEA/50069-A-40

Le chef de la délégation à l'Assemblée générale des Nations unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

TELEGRAM 299 New York, November 17, 1952

SECRET. IMPORTANT

TWENTY-ONE POWER COMMITTEE ON KOREA

Reference: Our telegram No. 266 of November 14.

Addressed Ottawa No. 299 (Important) repeated Washington [No.] 89.

Following from Martin, Begins: Representatives of the 21-sponsoring powers met again November 17 to consider the draft Indian resolution on Korea. The text of the Indian resolution, with which we were familiar, was circulated by the United States with Menon's approval, although it was not formally tabled until later in the day. The text was substantially that contained in our telegram No. 267 of November 15. A copy of the resolution as finally tabled (A/C.1/734) will be sent to you by air mail.

2. Acheson acted as chairman and presented a forceful but somewhat less than objective case against the Indian proposals. He outlined what he described as "the essential elements" of any acceptable resolution on Korea: (a) Full recognition of the principle of non-forcible repatriation; (b) The necessity that any contemplated repatriation commission be a workable body; (c) Provision for "release" as well as repatriation of prisoners of war. He made this latter point his main basis for attack on the Indian proposals. His general argument was that it would be "wrong, illegal, and shameful" for the United Nations to agree to any scheme which gave prisoners of war no other choices than repatriation or indefinite detention. Such a course of action would, in his opinion, force prisoners of war eventually to accept repatriation and should be as unacceptable as the use of physical force to effect repatriation. He believed Menon over-rated the difficulties which would arise with the Communist commmand over the disposition of prisoners who would resist repatriation.

North Koreans among this group could be absorbed into South Korea, as they were, after all, Koreans; he thought Chinese prisoners of war could be settled in South Korea, in any country which would accept the Mexican scheme or even in Formosa; he himself saw no reason why they should not go to Formosa.

3. As opinions were given around the table, it was somewhat surprising to find the majority of speakers suggesting the possibility of acceptance of the Indian resolution, possibly with some amendments. Lloyd, of the United Kingdom, pointed out that our objective was an armistice in Korea. This we could not achieve unilaterally. Therefore, our second objective surely must be to obtain the maximum support possible for any resolution sent to the Chinese and North Koreans. He thought the Indian resolution went a good way towards meeting the essential principles outlined by Acheson, and he underlined the value of the Indian initiative per se. He thought the meeting should direct its main attention to the tactics to be employed now that the Indian proposals had been made public. The twenty-one powers could not reject the Indian resolution out of hand. They could accept parts of the Indian scheme for incorporation in a revised 21-power resolution. However, he would prefer to listen to what the Indians had to say in speaking to their resolution, and then to persuade them by force of argument in the committee to alter their resolution to meet some of our desires. Lloyd as well as other speakers thought paragraph 17 of the Indian draft might have to be amended to meet the United States point concerning indefinite detention.

4. The Australian representative favoured revision of the 21-power resolution by the incorporation into it of a number of the Indian suggestions which were acceptable.

5. I thought it was necessary to state the case for the Indian resolution at some length in view of Acheson's opening remarks. I pointed out that our objective was an armistice and that while possibly no assembly resolution would achieve that objective something along the lines of the Indian resolution might contribute more to that end than the twenty-one power resolution. I stated frankly that we had encouraged Menon in his endeavours. I expressed my belief that the vagueness of the Indian proposal with respect to the disposition of those prisoners refusing repatriation was deliberate. This resolution did not arise out of an ideal situation; we had to remember that it was set against the background of war. In the circumstances it was necessary to seek some compromise in order to achieve an armistice and we believed that the scheme put forward by the Indians for solution of the prisoner of war issue was a gamble worth taking. I implied that deliberate vagueness on the issue of final disposition of prisoners of war might make more acceptable to the Chinese a set of proposals which stated the principle of non-forcible repatriation so clearly.

6. So long as the prisoners were in responsible hands and so long as no physical force was used, we saw no great objection to the exercise of legitimate persuasion on the prisoners to the end of their acceptance of repatriation. For our own part we felt we could probably accept the Indian scheme as it stood, although, of course, Menon might be willing to agree to certain amendments. I

said finally I thought it important to vote on the Indian resolution first. If it was rejected by the enemy we could return then to the 21 power resolution and would be in a much better position to urge it upon the assembly.

7. The representatives of the Netherlands, France, Norway, New Zealand and Turkey all suggested the desirability of taking action on the basis of an Indian proposal rather than the twenty-one power resolution, since it might be more appealing to the Chinese and, with some amendments, could be made acceptable to the United Nations. The only member to voice opposition to the general concensus was the representative of Greece and his interventions were not particularly effective. The Latin American and Asian representatives did not offer any opinions to the meeting.

8. It was agreed after some discussion that a subcommittee should be formed to consider immediately what amendments to the Indian draft resolution the twenty-one powers should seek. The subcommittee will be made up of representatives of the United States, United Kingdom, France, Australia, Turkey, Denmark, Colombia, and Canada. It was agreed that no approach would be made to Menon by the subcommittee until after his statement to the First Committee on Wednesday Nov. 19.

9. Acheson in summarizing the discussion made it clear that he regarded my statement as the one expressing the view in most direct opposition to United States view. He said he would speak as frankly as I had. Vagueness with respect to the disposition of prisoners of war he said was not acceptable to the United States Government. He termed Repatriation Commission a "fraud and an administrative monstrosity" since in fact the chairman or umpire would have the only effective vote. The United Nations Command wanted ony a "real armistice" in Korea and not one based on vague formulae capable of differing interpretations which would leave the way open for renunciation of the agreement by the Communists after some months of military build-up in the absence of continued military pressure from our side. In my estimation, his picture of the difficulties which would be caused by the "boiling up" of incidents involving prisoners held in indefinite detention behind United Nations lines was somewhat overdrawn. He did not, however, at any point indicate that the United States would vote against the Indian resolution, even though in his estimation it attempted to "fudge up" the principle of non-forcible repatriation. We can, I believe, expect him to return to the charge when the subcommittee meets, although I think his stand may be tempered somewhat as a result of the clearly expressed feelings of the meeting this morning of the desirability of giving adequate recognition to the Indian initiative.

10. I discussed this meeting with Mr. Pearson who agreed that Acheson's arguments were similar to those to which he had been exposed over the weekend and that the position I had taken was the position he had taken throughout. It might be useful to read this telegram together with our telegram No. 291 of November 17.

162. DEA/50069-A-40

Le chef de la délégation à l'Assemblée générale des Nations unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

TELEGRAM 307 New York, November 18, 1952

SECRET

KOREAN NEGOTIATIONS

Following from the Minister, Begins: You will have seen from my telegram No. 291 of yesterday's date and from the report of Acheson's concluding remarks at the 21-Power meeting yesterday morning, that the United States Government appear to attach great importance to the possible adverse effect on the military position of United Nations in Korea of any arrangements on the lines of Article 17 of the Indian draft resolution which, as they say, would in effect leave the prisoner of war question unresolved after an armistice. The considerations behind the United States thinking in this respect were outlined at length in my telegram under reference, but I confess that I am unable to understand their significance. It would seem to me that all the military arguments against Article 17 would apply to any armistice agreement. It is true that the Communists would have an extra reason for abandoning the armistice if they desired to do so, by appealing to Article 17 and the undisposed prisoners, but they could find equally good excuses in almost every paragraph of the existing draft agreement which has been accepted by the Unified Command. Their argument in this respect creates a doubt, and General Bradley's attitude last Sunday underlines this doubt, whether they do not think that any armistice at this time would prejudice the military security of the troops.

3. I should be grateful, therefore, if you would discuss this particular aspect of our problem with our Department of National Defence and if I could have a considered statement of their views and your own on this problem at the earliest possible date. Ends.

163. DEA/50069-A-40

Le secrétaire d'État aux Affaires extérieures
au chef de la délégation à l'Assemblée générale des Nations unies

Secretary of State for External Affairs
to Chairman, Delegation to the General Assembly of the United Nations

TELEGRAM 146 Ottawa, November 19, 1952

TOP SECRET. IMMEDIATE.

KOREAN NEGOTIATIONS

Reference: Your telegram No. 307 of November 18.

Following for the Minister.

I give below the views of the Department of National Defence as expressed by the Chairman of the Chiefs of Staff in reply to your requests which I sent to him by letter today, Begins:

2. Our own views will be forwarded to you tomorrow.

[PIÈCE JOINTE/ENCLOSURE]

Le président des chefs d'état-major
au sous-secrétaire d'État aux Affaires extérieures

Chairman, Chiefs of Staff
to Under-Secretary of State for External Affairs

TOP SECRET Ottawa, November 19, 1952

With reference to your letter of today's date and the attached telegrams regarding the Korean armistice negotiations at the United Nations. As you will realize it is not possible in the time at hand to secure the views of the Chiefs of Staff but I have discussed this matter with General Simonds,[49] who has the major interest in this matter, and I submit the following observations on the US military objections to the Indian proposals, particularly Article 17.

In the first place the US authorities may be concerned regarding the question of the number of prisoners they now have in comparison to the numbers they have stated on other occasions they have captured. You will recall that in September a message was received from CRO London which indicated Air Vice Marshall Boucher, the UK representative at UN Command, advising that the number of Chinese PWs that the UN Command claims to be holding are in excess of those actually held. In the first place the number of Chinese surrendering and those said to be refusing repatriation may have been exaggerated in an effort to establish a psychological victory over the Chinese. It may also be possible that since these prisoners on Koje and Koje-Do were not very well guarded following the Chinese offensive many may have escaped to the mainland of China. Therefore, the US military may be worried regarding any discrepancy being used by the Chinese for propaganda purposes on the basis that they may be accused of doing away with some of these prisoners. This of course would provide the Communists with very strong reasons for breaking any truce negotiations on the grounds that either the US has slaughtered some Chinese prisoners or had not turned the complete number over to the neutral authority.

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[49] Le lieutenant-général G.G. Simonds, chef d'état-major.
Lt. General G.G. Simonds, Chief of the General Staff.

The other US military objections to the proposed armistice arrangement are not understood. We have always assumed that the negotiations at Panmunjom had cleared up all outstanding points except the question of the exchange of prisoners and that if satisfactory arrangements could be made for the exchange of prisoners there was no further impediment in the way of an armistice, and we do not understand the connection between this and the question of construction of airfields to which Mr. Lovett referred to in his conversation.

In regard to General Bradley's views, there are no doubt serious military objections to long drawn out armistice proceedings and the dangers of a long period of cease-fire are much more acute to the UN forces than to the Communist forces. You will appreciate that previous armistice arrangements have usually been made between the victor and the vanquished and the victor was in a position to dictate the settlement of political questions. During a prolonged period between the commencement of an armistice and the political settlement it would be possible for the Communists to use this period of cease-fire to carry out the further build up of their forces, repair and improve their communications and stockpile war material in the forward areas. On the other hand, the UN forces would not take a similar advantage of a cease-fire, nor could they continue to build up their forces even if they observed the Communist forces were being considerably increased as it is very unlikely that any of the UN countries will be prepared to commit any more soldiers to Korea.

I would suggest that in order to overcome the US military objections efforts be made to shorten the period between the commencement of the armistice and the political settlement, and a system of neutral observers be instituted to report any abuse of armistice conditions. If steps, such as these, could be taken it is considered that the main military objections could be eliminated.

It has been previously mentioned that the morale and fighting efficiency of the troops may tend to depreciate during periods of an armistice. This is no doubt true in certain respects, however, we consider that if certain of the divisions could be withdrawn from the line during this period and taken to rear areas for a period of re-training this disadvantage would soon disappear, and further this period of inactivity could perhaps be put to good use in training more South Koreans to replace UN divisions in the line in order that the repatriation of UN forces could be speeded up as and when a political settlement could be achieved.

Therefore, in the main we consider that the military objections to this armistice suggestion could be reduced by:

(a) a system of inspection to prevent either side taking advantage of the armistice, and

(b) an effort should be made to reduce the period between the commencement of the armistice and the final political settlement.

Yours sincerely,

CHARLES FOULKES
Lieutenant-General
Chairman, Chiefs of Staff

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164. DEA/50069-A-40

Le chef de la délégation à l'Assemblée générale des Nations unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Asembly of the United Nations to Secretary of State for External Affaires

TELEGRAM 312 New York, November 19, 1952

SECRET. IMMEDIATE.

MEETING, RE RESOLUTIONS ON KOREA, OF SUBCOMMITTEE OF 21-POWER GROUP

Reference: Our telegram No. 299 of November 17, 1952.

Addressed Ottawa No. 312, immediate, repeated Washington No. 92.

The sub-committee appointed by the 21-power group met for almost four hours November 18. Since it is impossible to give a detailed account of the multitude of views expressed, this telegram attempts to summarize the main direction of the sub-committee's discussion. The group is to continue its discussions this morning.

2. Spender of Australia was unanimously selected to be chairman and did a good job in difficult circumstances. Shann[50] of Australia was selected as rapporteur and will submit his report of yesterday's meeting before today's meeting.

United States views on tactics

3. Gross for the United States strongly opposed the idea of acceptance of the Indian draft resolution in place of the 21-power resolution as a basis for the assembly's action on Korea. The United States delegation, after a careful survey of the likely reaction to the Indian resolution in the First Committee, believed that solid support of the Arab-Asian group for the Indian resolution would not be forthcoming. We were therefore involved merely in an effort to obtain six or seven additional votes for the resolution. Gross was of the strong opinion that our acceptance of the Indian draft would be a clear rejection of the 21-power draft resolution since, if the Indian resolution were adopted, sent

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[50] K.C.O. Shann, du ministère des Affaires extérieures de l'Australie.
K.C.O. Shann, Department of External Affairs of Australia.

to the Communists and rejected, we could certainly not return to anything like the present 21-power draft. He believed that our acceptance of the Indian draft resolution would be regarded by the Communists as a concession on the part of the United Nations and would be exploited to induce further concessions. This had been the experience of the negotiators at Panmunjom whenever attempts were made to meet the position of the Communist command.

United States views on substance

4. Gross repeated the United States views as to the three essentials which would have to be included in any acceptable resolution (our telegram under reference):

(a) A clear statement of the principle of non-forcible repatriation;

(b) A workable commission; and

(c) An "all important provision" which would set out clearly the requirement for final and definitive release from captivity of the "hard core" of prisoners who would resist repatriation.

5. The United States delegate thought that too high a price might be paid for Indian initiative if the Indian scheme were to result in the loss of initiative by the 21-power group, further confusion in the armistice negotiations, a retreat or surrender to Communist pressure or finally a set of proposals which would not materially affect the possibility of an armistice agreement.

6. Gross insisted that Menon did not want United States support for his resolution since he regarded himself in the role of the great neutral moderator. In his remarks, Gross came very close to an attack on Menon personally rather than on the Indian proposal. He asserted that Menon "was precipitating a first class crisis with the knowledge and possibly the purpose of putting the United States and the Unified Command in a difficult position in his effort to reach a compromise with the Communists." Gross stated that he could not feel certain that Menon would not back away from his own resolution if it were amended in a manner which would make it suitable to us. (Gross made every attempt to interpret "us" as the 21-powers standing firmly on this issue when in fact it was quite apparent that there was division of opinion.)

7. In spite of the firm stand which Gross took in support of the 21-power draft and against the Indian draft, he did submit in the course of the meeting:

(a) The text of the United States suggestions for revision of the 21-power draft, including provision for a repatriation commission (text is contained in my immediately following telegram), and

(b) The text of the United States suggestions for revision of the Indian draft (the text will be forwarded by airmail).

8. Since the sub-committee proceeded to examine in detail the United States suggestions for revision of the Indian draft, Gross took the opportunity to advance against that draft those arguments with which we were familiar (our telegrams Nos. 291 of November 17, 283 of November 15, among others). Probably his main arguments were to the effect that the United States would require different and better provisions with respect to the umpire to be

appointed and some provision for an "exit" for non-repatriatable prisoners of war.

9. Gross believed that if the 21-power draft resolution was revised along the lines of the United States suggestions it would take care of the proposals put before the First Committee by Mexico and Peru which two countries might even join in sponsorship of the revised resolution. Gross began and ended his main interventions in the sub-committee's discussions with the firm statement that he was under explicit instructions to press for passage of the 21-power resolution as amended.

Sense of the meeting on tactics

10. The United Kingdom, France and Canada strongly favoured the tactic of voting first on the Indian resolution with possible amendments to meet the United States view, keeping the 21-power resolution and other resolutions before the First Committee "in reserve". Canada and the United Kingdom spoke most strongly, although their views were taken up by France, Australia and Turkey, concerning the importance of the Indian initiative *per se*. There is little doubt in our mind that Australia moved closer to the position on tactics taken by Canada and the United Kingdom. In the words of one of their representatives, they were "revolted by the pressure tactics ineptly applied by the United States spokesman." It is important, however, to note that Australia has not committed itself so fully to support of the Indian proposal even if amended as has Canada and the United Kingdom. So far as the other countries represented were concerned, Turkey seemed to be on the fence, but probably capable of being influenced by the United States to its point of view, Columbia was fully committed to the United States view and Denmark remained silent.

Sense of the meeting on substance

11. It is proper I think to conclude that the temper of the meeting *forced* the United States representative *unwillingly* to reveal United States suggestions concerning the revision of the Indian draft and therefore its stand on the substance of that draft. A large portion of the meeting was devoted to a detailed consideration of these revisions. No such detailed attention was given to the suggested United States revisions of the 21-power draft. These are to be considered at today's meeting.

12. Lloyd of the United Kingdom submitted a text which might be substituted for paragraph 17 of the Indian resolution and which reads as follows:

"Within a fixed period from the signing of the armistice agreement, the disposition of any prisoners of war whose return to their homelands has not been effected in accordance with the procedure set out above, shall be decided by the Repatriation Commission. The Repatriation Commission shall make arrangements for the care of such prisoners of war with a body set up for the purpose by United Nations (a resettlement commission). This body will consist of representatives of ....and shall assist in making arrangements for the release and settlement of these prisoners of war within a fixed period thereafter."

Lloyd said he could not stress too vigorously his belief that an amendment along these lines should be submitted by a neutral power, in the course of the discussion which is bound to follow Menon's statement today. He believed that other amendments to the Indian draft such as those suggested by the United States (paragraph 8(b) above) might be suggested to Menon outside the committee. The sense of the meeting, or at least the impression given by those who spoke, seemed to be the hopeful one that most of the suggested United States revisions of the Indian draft could be accepted by Menon.

13. The arguments put forward by Gross on some points of detail did not stand up before the questioning of the United Kingdom, French and Canadian representatives. We cannot, in this telegram, set out all the details in this respect but examples of what is meant are the following: the vagueness of the Indian draft, the problem of indefinite detention, the definition of freedom for a prisoner of war and the problems which would be presented to the United Nations Command by the reason of the hard core of prisoners of war in areas behind the lines.

Conclusion

14. We believe the United States made a tactical error in producing the texts of their two revisions thereby indicating to the sub-committee that they were, in fact, prepared to admit in the circumstances of the need for a repatriation commission, and that they had given some thought to making the Indian proposal acceptable to them in spite of their arguments to the contrary. We believe it is safe to say that the sympathy of some members of the group was alienated by the manner of Gross's presentation and by his obvious attempt to belittle the Indian resolution and to force the subcommittee to express its support for the 21-power resolution as a basis for assembly action in Korea.

15. It is clear, however, that at the moment, the United States will oppose the Indian draft resolution even as amended. Gross said at one point "we will vote against the Indian proposal in its present form or in anything like its present form". The victory, therefore, in yesterday's meeting for the view that the Indian proposal should be given priority may be somewhat hollow if the United States maintains its firm position. Certainly some members of the 21-power group as a whole will be affected by this firm stand. It is clear, however, that at the end of yesterday's meeting, Australia was much closer to the position which we have taken than it was formerly and France was certainly more forthright in its support of the Indian initiative than it had been.

16. The position as regards the eventual establishment of priorities and the manner in which the Indian resolution is to be amended is still very unclear at this stage. It may be that the United States representatives will be able to convince the 21-power meeting that priority should still be given to their resolution. This could not be attained, however, unless better arguments are used than those submitted yesterday by Gross. We should also consider the possibility that, having agreed to give priority to the Indian resolution, the

United States could submit amendments of such a nature that the Indians would no longer feel that they could support it. This again could create a very confusing situation. All told, the net result of yesterday's discussion, however, was that considerable progress was made both on the subject of the priority to be given to the Indian resolution and on the substance of it as opposed to the one submitted by the 21-powers. We shall continue to endeavour to gain priority for the Indian resolution and to make it acceptable to as many countries as possible both within the 21-power group and without.

17. The press is naturally aware of the discussions now being conducted by the 21-powers and by the sub-committee. They are also aware of the Canadian support for the Indian resolution. Since we seem to be the first country having given our qualified support to the Indian scheme, it is quite normal that we be singled out by the United States delegation and should naturally expect that considerable pressure will be brought to bear on us. We shall continue to give our general support to the efforts of the Indian delegation, bearing in mind that we should not overlook serious opposition to it from United States or other quarters.

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165. DEA/50069-A-40

Le chef de la délégation à l'Assemblée générale des Nations unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations to Secretary of State for External Affairs

TELEGRAM 326 New York, November 20, 1952

SECRET. IMPORTANT.

TWENTY-ONE POWER SUB-COMMITTEE ON KOREA

Reference: Our telegram No. 312 of November 19.

Addressed Ottawa No. 326, repeated Washington No. 96.

The sub-committee of the 21-power group met immediately after Menon's statement to the first committee. A meeting which was scheduled for earlier in the day had been cancelled and we were under the impression that the United States delegation was likely to give more favourable consideration to the Indian resolution. Gross dispelled this impression by his presentation.

2. Gross stressed the importance of maintaining the "moral unity" of the 21-power group. He believed the task would have been simplified if the Indian draft had not been tabled in "unacceptable form". Such an action, according to him, created a political situation damaging to the necessary unity which should exist within the United Nations on Korea since (a) it tended to drive neutralists in the direction of the more intransigent side; our openness of mind had been taken as weakness; (b) it put us in the awkward position of having "to negotiate" with the Indian sponsor, even though we were not sure that Menon would continue support of his own resolution if it were amended; and (c) the Indian draft had deflected public opinion from the 21-power resolution which

stated a simple moral principle in favour of a resolution which "took with one paragraph and gave with another." He did not believe that Menon's speech had clarified the Indian stand on the two basic issues of the umpire and the indefinite captivity of prisoners. If other members of the sub-committee believed that "concessions to vagueness" were necessary, there could be no meeting of minds so far as the United States delegation was concerned.

3. He stressed the importance of time itself, since, in his opinion, each day drove us further away from the possibility of using the 21-power resolution as the basis for the Assembly's action on Korea. He admitted the effect on public opinion which had been made by the Indian resolution. The United States delegation felt it important, therefore, "to bring the matter to a head" within the next 24 hours.

4. In a further effort to convince the sub-committee, Gross produced arguments similar to those reported in our telegram No. 291 of November 17 which had heretofore not been advanced in this group. He said that we could *not* consider the question of principle of non-forcible repatriation as the *sole* question which had to be included in an acceptable resolution on Korea. In rather laboured fashion, he moved into the realm of essential principles the two questions of indefinite retention of prisoners of war and the appointment of an umpire. The United States case, as it has been made privately to Mr. Pearson by United States spokesmen at the highest level, is gradually being made in the sub-committee. Gross added finally that, since Mr. Acheson intended to take a definite stand in his statement to the First Committee on Monday next, November 24, there should be agreement among the 21-power group before the weekend.

5. Gross submitted a further United States revision of paragraph 17 which read as follows — "within 90 days from the signing of the armistice agreement, any prisoner of war whose return to his homeland has not been effected in accordance with the procedures set out above shall be released by the Repatriation Commission.

The Repatriation Commission shall assist UNKRA in caring for such persons and in arranging for their settlement and return to peaceful pursuits."

6. Every member of the sub-committee stated their views and all stressed the importance of preventing a split between the United States and other members of the group. Jebb of the United Kingdom gave it as his opinion, however, that public opinion in the United Kingdom would simply not understand rejection of the Indian resolution and the explanation of its purposes given in Mr. Menon's "the moving speech". He believed that the point at issue had been narrowed down to paragraph 17 and he thought that Menon might well agree to a revision of that paragraph. He believed that if our principle of non-forcible repatriation was preserved, we should not worry about any credit accruing from sponsorship of the resolution and, for his part, he saw no difficulty in negotiating with Menon. He appealed to the United States not to insist on too many amendments to the Indian resolution since there was "some value in Menonese".

7. Hoppenot of France indicated that unless instructed to the contrary his delegation would vote in favour of priority for the Indian proposals and for the resolution itself whether amendments to it were accepted by Menon or not. He did not believe that the United States amendments should be made the *sine qua non* for acceptance of the Indian resolution.

8. Mr. Martin said he had found Menon disposed to accept all reasonable points of view in his many talks with him and he believed that Lloyd and himself could convince Menon to accept amendments to paragraph 17 which could be acceptable to the United States.

9. The representatives of Colombia, Turkey and Denmark took less definite stands, although it is probably safe to say that they would vote against the Indian draft if the United States were to do so. Spender of Australia was obviously in a very difficult position. He felt it was unwise to stand against the flow of public opinion which was in support of the Indian resolution and yet he was most unwilling to commit his country to any action which would run counter to that taken by the United States. He stressed, therefore, the need to examine closely the suggested United States amendments to the Indian draft (our letter 45 of November 19),† decide on whether the 21-power group accepted these amendments and then *insist* upon Menon's acceptance of these amendments in return for our support of the Indian resolution.

10. The sub-committee will meet again at the call of the chair at which time representatives are expected to state their positions with respect to the substance of the suggested United States amendments.

11. Mr. Pearson talked with Gross late last night and got the impression that he at least was not nearly as adamantly opposed to the Indian resolution or as devoted to the "principles" as his performance in the sub-committee would suggest. This leaves us and more particularly the sub-committee in difficulties as to how to interpret the strength of the United States stand.

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166. DEA/50069-A-40

Le chef de la délégation à l'Assemblée générale des Nations unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

TELEGRAM 341 New York, November 21, 1952

SECRET. MOST IMMEDIATE.

Following from the Minister, Begins: Please cable following message immediately to our High Commissioner in New Delhi, Begins: As you know, we have been working very closely with the Indians here on their Korean resolution and have reached a point of strong disagreement with the United States in respect of it. The Americans insist on certain amendments which it is doubtful if the Indians can accept. There is one point which has a bearing on this and where you may be able to help, namely, has the Indian Government received anything authoritative in regard to the Chinese reaction to their resolution? What are its chances of acceptance in Peking? The Indian delegation will, of course, let us know here what they get from New Delhi, but it is possible that by a direct intervention, which would have to be very tactfully done, you might be able to secure earlier and more complete information. I would not, however, wish the Indian delegation here to know that we had asked you to attempt to secure such information, so you will have to enquire without referring to the source of this message. Ends.[51]

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167. DEA/50069-A-40

Le haut-commissaire en Inde
au secrétaire d'État aux Affaires extérieures

High Commissioner in India
to Secretary of State for External Affairs

TELEGRAM 253[52] New Delhi, November 22, 1952

SECRET. MOST IMMEDIATE.

INDIAN RESOLUTION ON KOREA

Reference: Your telegram No. 239 of November 21st.[53]

Following for the Minister, Begins: R.K. Nehru states that they have no, repeat no, idea of the reaction either of Peking or Russia. His personal view is that the reaction of Peking will depend in large part on the nature of Achesons's speech next Tuesday. In general his opinion is, with respect to all the powers principally concerned, that if they want to end the fighting in Korea they will accept the resolution. Ends.

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[51] Notes marginales :/Marginal notes:
(I understand that the USSEA does not wish this given any distribution outside the Dep[artmen]t and have, accordingly, only referred it to the officers named above [C. Ronning, C.S.A. Ritchie, R.A. MacKay]. The necessary action has already been taken.) H.H. C[arter] Nov. 21
I agree. C.R[onning]

[52] Le télégramme porte la mention :/Noted in telegram:
Repeated to Canadian Delegation New York as No. 158.

[53] Voir le document 166./See Document 166.

168. DEA/50069-A-40

Extrait du télégramme du sous-secrétaire d'État aux Affaires extérieures au chef de la délégation à l'Assemblée générale des Nations unies

Extract of Telegram from Under-Secretary of State for External Affairs to Chairman, Delegation to the General Assembly of the United Nations

TELEGRAM 153 Ottawa, November 21, 1952

TOP SECRET. IMPORTANT.

KOREAN NEGOTIATIONS

Reference: Your teletypes No. 307 and 291.

Following for the Minister from the Under-Secretary, Begins: You will by now have seen the comments of the Chairman of the Chiefs of Staff contained in our teletype No. 146 of November 19. For our part, we have thus far refrained from commenting on reports received from yourself and from the Delegation, (a) because the developments in New York have been so rapid that our comments might have been obsolete when received by you, and (b) because we have been in full agreement with the position adopted by yourself and by the Delegation in the behind-the-scenes negotiations. The only exception to this has been our teletype EX 100 of November 10, which contained a preliminary analysis of the Indian proposal, prepared in the Department.

2. We consider that the final draft of the Indian proposal is a considerable improvement over the original rather nebulous ideas outlined by Krishna Menon. It seems to us that, with the acceptance of those amendments which can be agreed upon by the eight-power sub-committee of the twenty-one powers, the Indian proposal will provide as good a resolution as can be expected. However, we are still uncertain as to the attitude of Peking towards the Indian proposal. In the Delegation's teletype No. 101 of October 28 Krishna Menon is reported as stating that he could produce proof within a week's time that the Chinese Communists were anxious to secure an armistice but, as far as we know, he has not produced this proof.

3. This point raises a problem to which you have no doubt already given careful consideration. It is possible that the Soviet bloc may indicate to Menon that they will accept his proposal if it is amended in several *apparently* minor features. It also seems quite probable that Menon is now in a mood to accept eagerly such amendments from the Communist side, and perhaps to discount the significance of such amendments. On the other hand, it seems quite possible that he will reject the most important of the amendments put forward by the United States. The situation may thus develop where we will be faced with a Soviet-amended version of the Indian resolution, which would be completely unacceptable to the United States, but which it might be difficult for us to oppose in view of our support for the Indian proposal in its present form. This, of course, would place us in a dilemma, as you will realize better than we do. In our opinion, the only way out of this dilemma would be either (a) to amend the twenty-one power resolution in a manner acceptable to India,

by including the substance of Menon's proposals; or (b) to have the Indians accept a sufficient number of the amendments proposed by the United States so that the latter will not vote against the Indians. We realize that this is precisely the purpose of the meetings which are now taking place behind the scenes in New York. But, for the reason given above, we think there is a very serious danger of the Soviet bloc seizing the initiative unless these meetings produce a text broadly acceptable both to the United States and to India.

4. On the points raised in your teletype No. 291, we completely agree with your statement that the Indian proposals can not be regarded as a "capitulation", and that the value of the armistice arrangements will ultimately depend on the good faith and intentions of the Communists. We can appreciate the desire of the Americans to keep up military pressure in order to secure a foolproof armistice. We do not see, however, that there is any likelihood that sufficient military pressure can be brought to bear upon our opponents to compel them to accept terms to which they do not agree. A completely foolproof armistice could only be secured once the enemy had been utterly defeated. At present, in view of the equal strength of the two sides, the only type of armistice obtainable is one which is broadly acceptable to both parties. The risk of such an armistice being broken would not be any greater whether it was secured as a result of the Indian proposals or of the proposals made by the Unified Command on September 28. In either case, our enemies could make use of the opportunity to build up their military forces and could find ample excuse to violate the armistice if they so desired. If the Communists were only interested in an armistice which they could use for building up military strength in order to eventually renew hostilities, they could have had one long ago by accepting our previous proposals. The fact that they are holding out for their own terms is, at least, an indication that they may desire a permanent armistice.

5. We can also understand the desire of the Americans to have the main issue completely agreed upon before the armistice. The Indian proposals do not provide for the ultimate disposition of the prisoners who do not choose to be repatriated. Would it not be possible to amend paragraph 17 of the Indian proposals in such a manner that it would be acceptable both to the Indians and the Americans, by including a statement that, if the political conference were unable to reach an agreement after another given period of time, the prisoners should be released?

6. In the various teletypes reporting the views of the United States officials, we find their continual emphasis on a "final and definitive" armistice somewhat confusing. Our understanding was that it was the recognition that any armistice would be pretty precarious which initially prompted the United States Government to consult with its allies on the question of issuing a "warning statement" to the Communists once the armistice had been concluded. We would be interested in having your views as to whether the position of the United States authorities on this matter has altered. Ends.

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169. DEA/50069-A-40

Le chef de la délégation à l'Assemblée générale des Nations unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

TELEGRAM 348 New York, November 22, 1952

SECRET. IMPORTANT.

21-POWER MEETINGS ON KOREA — INDIAN RESOLUTION

Reference: Our telegram No. 326 of November 20.

Addressed External No. 348 (Important), repeated Washington No. 100

A further meeting of the sub-committee of the 21-Power group was held November 21, followed almost immediately by a meeting of the representatives of the 21-Powers. It was clear from the meetings that decisions will have to be taken this week-end as to the tactics to be followed with respect to the Indian resolution and on the substance of suggested United States amendments to the Indian resolution. The following summary of the meetings which telescopes the views expressed in the sub-committee and the main group is an attempt merely to record the views expressed rather than to analyze the immediate status of negotiations. Mr. Pearson is being kept informed of the activities of the committee and any stand that we find that we must take over the week-end will be cleared with him.

United States views in the sub-committee

2. We were given the clearest statement yet of the United States position with respect to the Indian draft resolution. Gross stated clearly that if the textual amendments to the Indian draft resolution suggested by the United States delegation were not *agreed to in advance* of the moment when the committee took its vote as to whether or not the Indian resolution would be given priority of consideration, the United States would adhere to the 21-Power resolution; not only must there be agreement in advance to the amendments but the text of those amendments must correspond to and carry out the desires of the United States Government with respect to non-forcible repatriation, the appointment of the umpire and the provision for release within a specified time limit of those prisoners of war who would resist repatriation. While the sub-committee did not discuss actual textual amendments, we believe that the United States has in mind those amendments which we forwarded to you under cover of our letter No. 45 of November 19.[†]

3. In the United States view, it "would have been and still may be" the wise course to support the 21-power resolution as one stating a simple moral issue which was understandable to world public opinion. Gross argued again that delay in agreement on the precise nature and text of amendments to the Indian resolution was prejudicial to the tactics favoured by the United States delegation, i.e. to give priority to the 21-power resolution.

4. Gross thought that even if the Indian resolution were to be adopted by the Assembly, without a clear statement of essentials, there would be a serious risk of deadlocking the armistice negotiations again on an administrative or procedural issue rather than on a point of principle, thus placing us in a much weaker moral and propaganda position. Gross devoted some attention to other amendments to the Indian resolution which the United States would regard as important and probably essential. In his opinion, there must be no provision for further negotiation of the Indian proposals if they were sent to the Communists; they must be accepted as a whole with provision only for arrangement of details within the confines of the proposals attached to the resolution. He argued that it would be unfair to bind the United Nations command to a set of General Assembly proposals leaving the other side free to use them merely as a starting point and a spring board for demands for further concessions. The United States thought it equally important that the proposals of the Indian resolution should not be considered a separate repatriation agreement but should be included in the general armistice agreement. Finally, the United States delegation believed that the reference to the letter of October 16 (paragraph 5 of the Indian resolution) should be omitted since that letter provided for classification by each side; we should insist that classification be carried out by the repatriation commission only.

5. At one point in the sub-committee's discussions, the French representative asked Gross directly whether the United States would agree to designating India as the fifth member of the repatriation commission in the course of the First Committee's discussion of the Indian resolution. Gross evaded a direct answer on the question of the suitability of India although he did agree that many of the problems for the United States with respect to the repatriation commission would be cleared up if the five-member commission was appointed prior to forwarding the proposals to the Communists. He did not, however, by anything he said, rule out the possibility of United States acceptance of India for this role.

United States views in 21-power meeting

6. Gross repeated the views set out above at the full meeting of the 21-powers and added a few more comments. He stated that the United States was troubled by the attempt to force the United Nations as a body to negotiate with the Communists; the United Nations should rather state principles which had to be met by the enemy. He thought the Communists would take heart from our action "in extorting concessions from one another" and interpret that action as weakness where moral solidarity should exist. He suggested that the future course of the United Nations in Korea might well be in the balance.

7. He made reference to an Associated Press despatch concerning the sub-committee's meeting an hour earlier, which suggested that the eight members had agreed to give priority to the Indian resolution. He said his delegation would deny that categorically. He maintained that this development proved the validity of the United States argument concerning the effect of the passage of time. He concluded his interventions by asserting that the United States did

not intend to issue any ultimatum with respect to the acceptance of its amendments, but his delegation had to be able to take a definite stand by Monday when Mr. Acheson is scheduled to speak, and he left the clear implication that in fact the United States was issuing an ultimatum.

Views of other members in the sub-committee

8. The chairman and rapporteur (Spender and Shann) had prepared a paper for the sub-committee's consideration, attempting to set out in non-controversial terms the broad requirements concerning amendments to be introduced to the Indian resolution which appeared to arise from the earlier meetings of the sub-committee. Lloyd of the United Kingdom, with some support from ourselves and the French, argued that we should not make our stand with respect to priority for the Indian resolution completely dependent on acceptance by the Indian representative of all the amendments suggested, as was the clear intent of the words used in Spender's paper. Similarly, Lloyd argued against the advisability of setting out clearly in the Indian resolution the fact that in the event of disagreement on the appointment of the umpire, the General Assembly should make that appointment. He believed that such a spelling out would make the proposal completely unacceptable *from the beginning* to the Communists and implied that, while in our own minds we might regard the issue of the umpire as a breaking point, we should at least allow for vagueness on the question for the period of the three weeks provided for in the Indian resolution with the hope that in fact some agreement could be reached with the Communists in that time. Lloyd questioned the tactical advantage of giving prominence to the principle of non-forcible repatriation in negotiations which might arise at Panmunjom on the basis of the Indian proposals.

9. The United Kingdom, France and Canada were unwilling to commit themselves at this stage to full support of the United States amendments regardless of their effect on the Indian resolution. Australia, on the other hand, was willing to offer that commitment to the United States to gain its adherence to the Indian resolution. The representative of Turkey gave us the impression that he was still flexible while the representatives of Colombia and Denmark were much closer to the United States position.

Views of other members in the 21-power meeting

10. There was a lack of intelligent comment from the other thirteen members of the group, understandable because of the lack of information in their possession on the exact differences of opinion which had been aired in the sub-committee. The United Kingdom spokesmen (Mr. Eden was present at the meeting) repeated their view that it would be a mistake to become committed too soon and too rigidly on the question of amendments. They believed that the worst possible method of procedure would be to issue an ultimatum to the Indians immediately and publicly with respect to the amendments. They suggested that the best course would be to attempt to persuade the Indians privately to incorporate some of the amendments into their resolution and thought that that effort should be made within the next 48 hours.

11. It was fairly clear that New Zealand is likely to support the position taken by the United Kingdom, France and Canada.

12. The 21-power meeting adjourned with rather indefinite plans for its next meeting although there was general agreement that it should meet if possible before Monday, November 24, to reach its decision with respect to the United States amendments.

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170. DEA/50069-A-40

Le chef de la délégation à l'Assemblée générale des Nations unies
au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations,
to Secretary of State for External Affairs

TELEGRAM 353 New York, November 22, 1952

TOP SECRET

KOREAN NEGOTIATIONS

Reference: Your telegram No. 153.

Following for the Under-Secretary from the Minister, Begins: Thank you for your most useful telegram.

In almost continuous talks with Menon for the last 12 hours it has become clear that while he is willing to make some further changes to paragraph 14 and 17 along lines which the Americans desire, he will not go as far as they wish. Certainly it is clear that if paragraph 17 is amended to state specifically that prisoners should be released if agreement is not reached after a given period of time, the Indians will abandon the resolution completely. They are doubtful whether the Chinese will support it as it stands. They are certain that they would turn it down flatly if the above amendment were carried. Ends.

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171. DEA/50069-A-40

Le chef de la délégation à l'Assemblée générale des Nations unies
au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations,
to Secretary of State for External Affairs

TELEGRAM 364 New York, November 24, 1952

SECRET. IMMEDIATE.

TWENTY-ONE POWER MEETING ON KOREA

Reference: Our telegram No. 348 of November 22.

Addressed External No. 364 repeated Washington No. 106.

The 21-power group met again on Sunday evening, November 23, at the insistence of the United States delegation. It met against a background of press reports headlining "the serious split" between the United States and the United

Kingdom on the Indian resolution. It was further dramatized by the attention given to Mr. Acheson's "sudden return flight" from Ottawa.[54] As representatives entered the United States delegations's headquarters where the meeting was held they were met by dozens of reporters with usual paraphernalia.

2. The meeting did not bear out the expectation of the press that "fireworks" would develop. All representatives who spoke at the meeting, including Mr. Acheson, decried the exaggerated press reports concerning the division of opinion. You will note from story beginning on page 1 of today's *New York Times* that "the newspaper accounts were based on the United States delegation's own account of the conversations" between Mr. Gross and Mr. Eden. Mr. Eden was not present at last night's meeting because he had a more important engagement. The fact that the Indian delegation had earlier in the afternoon made public, revisions of paragraphs 14 and 17 of their resolution underlined the wisdom of the tactics which had been suggested by the United Kingdom and ourselves for bringing the two points of view closer together. The texts of the revised paragraphs are contained in my immediately following telegram.

3. The United States position with respect to the Indian resolution was described by Mr. Acheson in much less adamant terms than heretofore. He agreed that the United States point with respect to the umpire was met in Menon's revision of paragraph 14. He did not, however, believe that there was any substantial improvement in paragraph 17 since, according to his interpretation of it, the "hard core" of prisoners would still be sent to the political conference; there was no specific end to the period of their detention; and the authority to dispose of them remained in the hands of the political conference. Acheson said he did not like the referral of these prisoners of war to the political conference although he had referred the question to his government and had therefore to reserve his stand on it. He insisted, however, that there must be a time limit in the resolution after which the authority of the political conference over the prisoners of war would be terminated and he suggested that paragraph 17 should provide for some point in time when the prisoners would be *released* to some group with authority to resettle them and that that group should be specified, e.g. UNKRA. He argued that he was attempting merely to bring Menon's resolution into accord with Menon's speech since Menon had in fact argued that no human being could be kept in indefinite detention. At several points in his intervention Mr. Acheson stressed the importance in the United States view of making the period of detention of the hard core of prisoners of war as short as possible. In the revised Indian resolution a period of 150 days was already provided for; there was, therefore, almost half a year during which the Communists could build up their military strength without interference by the United Nations Command; final decisions for the release of the prisoners of war therefore would be taken under conditions of increasing Communist military pressure; this was a main concern of the military. He said, in addition, that the United States would regard it as

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[54] Voir le document 879./See Document 879.

important (although he distinguished between important and essential) that the words "by the Repatriation Commission" should be added to paragraph 5 of the Indian proposals.

4. Lloyd for the United Kingdom stressed the need to put the differences of opinion in the group in the right perspective for the press. For his part he had "never conceded that there was a difference on principles" although he did admit that there had been "arguments as to methods of approach." He agreed that paragraph 17 was still open to criticism along the lines of Mr. Acheson's remarks although he stressed that its revision was an important step in the direction of meeting our views. While he hoped that further revisions might be possible he indicated that the United Kingdom would be willing "in the ultimate resort" to have the Indian resolution go to the Communists in its present form. He argued strongly that so far as tactics were concerned the 21-power group should agree to accord priority of consideration to the Indian resolution "freely and generously" and then by "pressure of debate" seek further desirable changes in the Indian resolution. He again stressed the view that the amendments should not be put forward publicly as the *sine qua non* of acceptance of the Indian resolution even though there might be agreement among the 21-powers that certain amendments were still necessary.

5. At one point in the meeting Acheson, with deceptive naivety, asked Lloyd what his advice would be concerning the statement which he, Acheson, was scheduled to make in the Political Committee today. Lloyd, with suitable diffidence, suggested that Mr. Acheson might develop a statement along the following lines. He might applaud the initiative of the Indian Government but suggest that he would like some further points of clarification with respect to paragraph 17 along the lines set down above. Lloyd thought he should avoid producing alternative texts. He suggested in effect that Mr. Acheson should make two statements, the first of which would follow the line set out above. The second statement would concern alternative forms of words after the "pressure of debate in the First Committee" had been brought to bear on Menon. Mr. Acheson did not comment on these suggestions.

6. Lloyd's point of view was supported in greater or lesser degree by Canada, France, Australia, New Zealand and the Netherlands. The Netherlands representative suggested that the Indian resolution went further than the original 21-power resolution in attempting to solve the problem of the hard core of prisoners of war who would resist repatriation, a problem which would arise in whatever resolution was agreed upon. Mr. Martin developed this point and argued that with all its inadequacies the Indian proposal did at least make an attempt to deal with a problem which the 21-power resolution ignored.

7. The opposing view on priority for the Indian resolution before firm agreement on textual revision had been reached with the Indian representative was put forward by the representatives of the Philippines, Greece, Honduras, Thailand and Turkey. At one stage the meeting was dangerously close to developing into a drafting committee, a development which was headed off by Sir Percy Spender as chairman. The more important suggestions with respect to amendment of paragraph 17 concerned the replacement of the words "the

responsibility for their care and maintenance until the end of their detention shall be transferred to the United Nations" by one of two forms of words (a) "the responsibility for their disposition shall be transferred to the United Nations", or, simply (b) "responsibility for them shall be transferred to the United Nations."

8. In summary the United States desire for further revision of paragraph 17 could be expressed in the following terms:

(a) If the political conference were to take over the problem of the hard core of prisoners of war the period of its responsibility should not be indeterminate;

(b) Some definite provision for a United Nations body should be included; and

(c) There should be a definite period after which the prisoners of war could be released from all custody.

Lloyd did not show any fundamental disagreement with these terms. Any difference of view which continued to exist was centered on the point made in (c) above. Whereas the United States would wish the prisoners of war to be released after a definite period the United Kingdom would be satisfied with a wording which would merely provide that the prisoners of war should not be detained indefinitely.

9. The meeting ended on a somewhat indefinite note with the understanding that a further meeting would be called when the situation with respect to further amendment of paragraph 17 was clearer. We believe that the meeting can be regarded as satisfactory from our point of view in that the United States did not, as we expected they might have, force individual representatives to take a stand on priority for the Indian resolution only if suitable amendments were accepted by Menon. On the other hand — and this is unfortunate from our point of view — neither the United States nor a number of the 21-power group have agreed to accord priority to the Indian resolution.

10. The following is the text of the communique which was issued after the meeting:

"The twenty-one powers who sponsored the original resolution on Korea which came before the First Committee (the Assembly's Political Committee) on October 24 met tonight to study further the draft of the revised Indian resolution in the light of their own resolution and other resolutions before the committee. They took special note of important revisions to the draft resolution which the Indian delegation made public today. There was agreement that these revisions clarified in certain important respects the original Indian proposal but it was considered they require further study and clarification on certain aspects. There was unanimous agreement on the basic problems involved."

172. DEA/50069-A-40

Le chef de la délégation à l'Assemblée générale des Nations unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

TELEGRAM 376 New York, November 26, 1952

SECRET. IMMEDIATE.

21-POWER MEETING ON KOREA

Reference: My teletype No. 373 of November 25.†

Addressed External No. 376, repeated Washington No. 113.

The 21 powers met November 25 to decide their stand with respect to the granting of priority to the Indian resolution. The meeting was the most amiable yet of meetings of this group a development due in the main to behind-the-scenes talks.

2. Mr. Acheson led off by saying that he would keep his "inner most thoughts" to himself in case the "more intimate details" of these discussions should once again reach the press. He indicated that his delegation would favour the granting of priority to the Indian resolution and he thought it would be a mistake to condition it on agreements binding on all 21 powers with respect to particular amendments. He pointed out that the United States position was clear and would remain clear; that "certain clarifications" of paragraph 17 were necessary but that there should be no impression given of pressure tactics to achieve these clarifications.

3. Acheson was strongly supported in his view by Selwyn Lloyd. Lloyd went on to develop the point that a new factor had been introduced in that Vishinsky had condemned the Indian resolution publicly. In his opinion, such a Soviet action predisposed him, aside from the merits of the Indian resolution, to give priority to it. He agreed that it would be a mistake to make priority conditional upon specific amendment although he thought that every delegation within and without the 21-power group remained free to seek clarification of the resolution.

4. The representatives of the Philippines, Greece, Honduras, Ethiopia and Turkey were quick to follow the lead of the United States and the United Kingdom and repent their former stand of opposition to the grant of priority to the Indian resolution without firm agreement on amendments to it which might be considered necessary. The problem of the attitude of delegations outside the 21-power group was discussed and it was agreed that we could do little to influence the line which they might take with respect to amendments.

5. The representative of the Netherlands suggested that Menon's position might be made more difficult if suggestions for amendments came from the 21-power group and he believed that "some sort of priority" might be given to

representatives of countries not included in the 21-power group and particularly to "India's neighbours" to suggest amendments.

6. Mr. Martin stated clearly that Canada supported the idea of priority for the Indian resolution. He said in addition that Canada believed there was a certain urgency in passing that resolution. He supported the point of view put forward by the representative of the Netherlands and he expressed the hope that there would be no undue amount of requests for clarification in order that the Indian resolution might keep its present character. He stressed that this latter point was almost as important as the question of priority itself. We did not want to lose Indian sponsorship of the resolution which is finally adopted by the First Committee. In subsequent exchange with the representatives of New Zealand and the United Kingdom, Mr. Martin agreed that his idea was that the maximum number of statements might be made on the minimum number of points, i.e. that suggested amendments to the Indian draft be kept to minimum while exposing Menon to what Lloyd has constantly referred to in these meetings as the "pressure of debate."

7. The meeting ended with some discussion of the kind of press communique which would be issued. Mr. Acheson made the original suggestion for wording which was subsequently amended by Lloyd and others. The text as it was finally agreed to was the following:

"The twenty-one co-sponsors of the resolution of the 24th of October 1952 met this afternoon and unanimously reached agreement that priority in the voting should be given to the resolution tabled by the delegation of India on the 17th of November 1952 and revised on the 23rd of November 1952. It was understood also that necessary textual clarifications on paragraph 17 will be sought to make it conform to the intention of the paragraph as outlined in statements made in the committee."

8. This is a satisfactory development from our point of view, one for which we probably have to thank Mr. Vishinsky. There may still be a few hurdles ahead. We intend to participate in the debate at an early stage in order to give the kind of leadership we think would be helpful in surmounting the hurdles and in helping the Indian resolution through.

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173. DEA/50069-A-40

Le chef de la délégation à l'Assemblée générale des Nations unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

TELEGRAM 390 New York, November 27, 1952

SECRET.

Following from the Minister, Begins: The purpose of this message is to summarize the behind-the-scenes discussions which took place yesterday and earlier today concerning Article 17 of the draft Indian resolution, on which, after days of negotiation, substantial agreement has now finally been reached, I hope, between Menon, the Americans, the United Kingdom and ourselves.

2. On Tuesday evening there had been lengthy discussions between Selwyn Lloyd and Menon, and later myself, as the result of which it was thought that by midnight agreement had been reached on the following re-draft of the last sentence of this contentious paragraph: "If at the end of a further sixty (thirty) days there are any prisoners of war whose return to their homelands has not been effected under the above procedures or whose future has not been provided for by the political conference, the responsibility for their care and maintenance and for their subsequent disposition shall be transferred to the United Nations which in all matters relating to them shall act (strictly) in accordance with international law" or alternatively, instead of "...responsibility for their care and maintenance and for their subsequent disposition...", merely the words: "...responsibility for them shall be transferred...etc."

3. Before leaving yesterday morning for the Assembly, I saw Menon and Lloyd again separately: and throughout the day participated either alone or with Mr. Martin in a continuous series of two and three-way discussions until midnight. The principal difficulties arose from:

(i) The fact that overnight Menon decided that the alternative re-draft regarding United Nations responsibility was preferable. The Americans, however, preferred the longer form which included the word "disposition" and overnight had secured the agreement of Washington on these words;

(ii) The American desire after consultation with Washington to include after "in accordance with" the words "the principles of this resolution" along with those of "international law".

(iii) The American insistence on "30" instead of "60" days in the first line. Menon after overnight consideration would not accept this.

(iv) The American feeling that the inclusion of the word "strictly" was unnecessary and even silly.

4. In discussions yesterday, Lloyd and I tried to explain the Indian difficulties to the Americans on the 60 or 30 days point, but they made it clear that the 30 day period was regarded as essential by the United States Chiefs of Staff, that they could not modify their position without going back to Washington on this point, and that this would probably require a reference to the President. The United States side, therefore, held firm to a reference to the 30 day period. On the other hand, during the afternoon, the Americans agreed to accept the word "strictly" and at the same time to delete the bracketed words "the principles of this resolution" to which they had appeared to attach importance, for reasons as mystical as Menon's attachment to "strictly". Obviously these two points were not ones of substance, but so great have been the difficulties in this complex problem, and so deep the mistrust between Menon and the United States side that even minor drafting changes have proved capable of raising real difficulties.

5. So far as the major points are concerned, we had thought by midday, and after several discussions and cups of tea with Menon, that he would be able to

accept the shorter period of thirty days required by the Americans, and also the United Nations responsibility for "disposition". Immediately before the First Committee meeting at 3 o'clock, however, Menon informed me that after conferring with his delegation, he would stand though reluctantly, by the "disposition" phrase, but he would not be able to make the change from "60" to "30" days in the revision of the last sentence of paragraph 17 of his resolution. Later however, he said that he would not oppose this change if it were proposed from the floor of the committee. I then saw Gross (United States) and Lloyd (United Kingdom). Gross was disturbed at the prospect of any further alterations but I explained to him that this involved only a change of form and not of substance, as it should be easy to get someone to move the amendment and the committee would undoubtedly approve it. It was merely a question of whether the change would come about by an Indian revision of their draft or from the floor. Gross then took the matter up at once with Acheson who was attending the committee. Later he expressed Acheson's annoyance at this further suggested change, although he finally accepted the Indian position. Accordingly, when the Indian re-draft of paragraph 17 with "60 days" appeared late yesterday, there appeared also a Danish amendment to reduce the period to "30 days".

7. That was how the matter stood when I met Menon, Lloyd and Nervo (Mexico) with Mr. Martin last evening. It was a discouraging meeting as Menon showed signs of desiring to withdraw from the whole business because of his government's uneasiness at the interpretation now being given in India to their amended resolution; namely, that the United States had forced these concessions and that India had been pushed off her position of neutrality in the cold war.

8. Menon was obviously unhappy about his final draft and also feels he may not be able to vote against the Soviet amendments to it. We emphasized that this was no time to falter or show weakness. I suggested also that most of the Soviet amendments were obviously out of order and could be ruled so by the chairman, if that would help. The resulting procedural discussion, which we had previously desired to avoid, might now be an advantage. Menon grasped at this straw, especially as he will not now be able to speak for a couple of days and delay is desirable. The Americans last evening had discussed this procedural question with the Latin Americans and they had agreed not to raise in the committee whether or not the Soviet amendments were in order. I talked to Acheson and Hickerson this morning, however, and they now realize the difficulty and agree that a procedural ruling might be desirable, especially as it might remove the embarrassment of a vote against a Russian amendment which provides for an immediate cease fire. I have also talked this matter over with the chairman of the First Committee and Nervo of Mexico. The latter would like to see the question of the admissibility of the Soviet amendments raised, and the former said that if it were raised he would rule the 2nd and 3rd amendments definitely out of order as repeating the terms of the Soviet resolution which was subsequently to be voted on.

9. I saw Mrs. Pandit and Menon again this afternoon and they remain unhappy and worried about the present state of their resolution after the vicious attacks made on it by the Communists and the satisfaction of the United States and others over the amendments that have been made and accepted. Ends.

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174. DEA/50069-A-40

Le chef de la délégation à l'Assemblée générale des Nations unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

TELEGRAM 385[55] New York, November 27, 1952

SECRET. MOST IMMEDIATE.

Please send following message to High Commissioner in New Delhi, Most Immediate, Begins: Would you deliver immediately following message to Prime Minister Nehru, Begins:

May I be permitted to tell you how greatly encouraged those of us who are working at the United Nations Assembly to bring about an armistice and peace in Korea were by your recent statements in New Delhi on this subject. Your representative here has, if I may say so, been handling with skill, integrity and patience what we now think of as the Indian peace initiative. I realize that he has been criticized from both extremes, but I feel certain myself that the resolution which, while it stands in the name of your delegation, expresses the feelings of nearly all delegations, does represent a real advance toward a peaceful solution of this problem. Even if the initial reaction in Peking is unsatisfactory, nevertheless, if this resolution, which does not involve a surrender of principle by any party, is approved by the Assembly, as I am sure it will be, it will provide a new and far better basis for armistice and peace talks in the future than any which has hitherto been attempted or contemplated. In that respect, I am sure it establishes good and sound foundations on which to build. As such it is heartily welcomed by all delegations here who are sincere in their desire for peace in Korea.

2. If and when it becomes a resolution of the Assembly, it imposes certain responsibilities on me as President in regard to its transmission to Peking and North Korea. I venture to express the hope that at that time I may be able to count on the support of yourself and your government in helping to gain for it the most favourable reception possible, and in giving to the Chinese the interpretation and explanation to which it is entitled, as a significant step forward towards the peaceful solution of the Korean question.

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[55] Le télégramme porte la mention:/Noted in telegram:
This telegram repeated to New Delhi as No. 246.

3. May I add a word of appreciation for the close and friendly collaboration between our two delegations at this Assembly.

4. Kindest personal regards and all good wishes. Ends.[56]

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175. DEA/50069-A-40

Le chef de la délégation à l'Assemblée générale des Nations unies
au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations,
to Secretary of State for External Affairs

TELEGRAM 387[57] New York, November 27, 1952

SECRET. MOST IMMEDIATE.

Following for the High Comissioner in New Delhi from the Minister. Begins: (Ottawa please pass to New Delhi.)

With reference to immediately preceding telegram regarding Indian Korean initiative, United Nations Assembly, for your information I am sending this message because I am worried lest Menon should not get the backing from Delhi which he needs to push this initiative through. It has been a valuable and constructive step by India, and it would be deplorable if there were any faltering now, irrespective of the reception in Peking. We have had very great difficulty with the Americans in persuading them to accept the resolution, but the few changes which have been made to satisfy them are not important and do not represent any retreat by the Indian delegation from their original position. I hope that the amendment to paragraph 17 is not being interpreted in New Delhi in this way. I think Menon is worried about this, and that the final resolution may appear to be forced on him by American pressure. This is not the case, as I can testify from having spent many long hours with him recently. Ends.[58]

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[56] Notes marginales :/Marginal notes:
Seen by USSEA.
Distribution discussed with Mr. Ritchie. 27 Nov. Refer with [Telegram] 387.

[57] Le télégramme porte la mention :/Noted in telegram:
This telegram repeated to New Delhi as No. 247.

[58] Notes marginales :/Marginal notes:
Seen by USSEA.
Distribution discussed with Mr. Ritchie. 27 Nov. Refer with [Telegram] 385.

176. DEA/50069-A-40

Le haut-commissaire en Inde
au secrétaire d'État aux Affaires extérieures

High Commissioner in India
to Secretary of State for External Affairs

TELEGRAM 262[59] New Delhi, November 28, 1952

SECRET. MOST IMMEDIATE.

KOREA

Reference: Your telegram No. 247 of November 27.

Following for the Minister, Begins:

Reference: Your telegram No. 386.

I presented your message to the Prime Minister at 1 o'clock today. He agrees that it is most important to press ahead with the resolution in the Political Committee in the Assembly and afterwards in Peking where Indian representative will do his best to explain the resolution to the Chinese. The Prime Minister added that there is indeed no, repeat no, alternative to pressing ahead with the resolution and while you cannot force peace on people who do not, repeat not, want it you can create conditions making it easier for people to come to agreement and this the resolution does.

2. I impressed on the Prime Minister and the Foreign Secretary your views of the nature of the amendments made to satisfy the Americans and neither gave me the impression that Menon's worry is well based. Ends.

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177. DEA/50069-A-40

Le haut-commissaire en Inde
au secrétaire d'État aux Affaires extérieures

High Commissioner in India
to Secretary of State for External Affairs

TELEGRAM 263[60] New Delhi, November 28, 1952

SECRET. MOST IMMEDIATE.

KOREA

Reference: My immediately preceding telegram No. 262 of November 28.

Following for Minister, Begins: Prime Minister Nehru has asked me to convey the following message to you:

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[59] Le télégramme porte la mention :/Noted in telegram:
Repeated Canadian delegation, New York, as No. 183 of November 28.

[60] Le télégramme porte la mention :/Noted in telegram:
Repeated Canadian Delegation, New York as No. 184, Nov. 28.

"I am very grateful to you for your message which your High Commissioner has just handed to me. I appreciate what you have said very much and I am particularly glad that our delegation at the General Assembly of the United Nations and the Canadian delegation have worked in close and friendly collaboration. I entirely agree with you that in spite of difficulties and disappointments that we have experienced in this matter we must proceed with our resolution on Korea. We intend to do so. Also that if and when resolution is passed by the Assembly we should follow it up and try to take full advantage of it. With all good wishes and regards." Ends.

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178. DEA/50069-A-40

Le haut-commissaire en Inde
au secrétaire d'État aux Affaires extérieures

High Commissioner in India
to Secretary of State for External Affairs

TELEGRAM 264[61] New Delhi, November 28, 1952

SECRET. IMPORTANT.

KOREA

Reference: My telegram of to-day.

Following for Minister, Begins: R.K. Nehru[62] this morning gave me information about the message received from the Chinese Government on November 25th through the Indian Ambassador at Peking substantially identical with that he had given the previous day to Clutterbuck,[63] i.e.

(1) Chinese Government were unable to approve of the terms of the Indian draft resolution since it departed from the principles laid down in the Geneva Convention that prisoners must be repatriated.

(2) They did not, repeat not, however, wish to make any public statement on the matter at the present time.

(3) They would like armistice talks to be renewed "on an equal and reasonable basis." Ends.

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[61] Le télégramme porte la mention :/Noted in telegram:
Repeated Canadian Delegation, New York, as No. 184 of November 28.

[62] R.K. Nehru, secrétaire des Affaires des Nations unies, ministère des Affaires extérieures de l'Inde.
R.K. Nehru, Secretary for United Nations Affairs, Ministry of External Affairs of India.

[63] Sir (Peter) Alexander Clutterbuck, haut-commissaire du Royaume-Uni en Inde.
Sir (Peter) Alexander Clutterbuck, High Commissioner of United Kingdom in India.

179. L.S.L./Vol. 167

Le président de l'Assemblée générale des Nations unies au premier ministre

President of the General Assembly of the United Nations to Prime Minister

SECRET New York, November 29, 1952

Dear Mr. St. Laurent,

There was another crisis the other evening in the struggle over the Indian resolution. Mr. Menon was very discouraged by the reception given in this country and in his own to the amendments which he had been persuaded to accept. In this country, newspapers interpreted them as an American triumph, and in India, in certain quarters, as an Indian defeat. Menon, who is very moody and temperamental, was on the point of withdrawing from the whole business. However, I told him that I would send a personal telegram at once to Mr. Nehru, which would emphasize the value of the initiative which had been taken, and the desirability of pressing ahead with it. Menon cheered up over this, and thought that it would be helpful. As it turned out, it was, because I received yesterday a very friendly reply from Mr. Nehru, which removed from Menon's mind any temptation to weaken in the sponsorship and support of the Indian resolution.

It would have been a fine thing if we could have proceeded to the vote in respect of that resolution yesterday, but once again Menon faltered and pleaded for the weekend for "contemplation and preparation". He will be giving his final statement Monday, and the vote should be taken in the afternoon.

. . .

Yours sincerely,

L.B. PEARSON

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180. DEA/50069-A-40

Le chef de la délégation à l'Assemblée générale des Nations unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

TELEGRAM 412 New York, December 2, 1952

CONFIDENTIAL

FIRST COMMITTEE DEBATE — INDIAN RESOLUTION ON KOREA

Addressed External No. 412, repeated Washington No. 124.

After a series of some 25 votes on separate paragraphs and amendments, the Indian resolution on Korea, as revised by the Danish amendment, was passed by the First Committee with a vote of 53 in favour, including Canada, 5 against, the Soviet Bloc, and one abstention, China. The vote came after lengthy statements by Menon for India and Vishinsky for the Soviet Union. Menon spoke in his usual discursive manner and attempted to preserve his neutral position with respect to the views of the main protagonists in the Korean struggle. Vishinsky reiterated his familiar criticisms of the Indian resolution and described it as "a rotten compromise".

2. So far as the voting was concerned, most of the paragraphs of the Indian resolution received the support of 53 or 54 members and most of the Soviet amendments were defeated by a vote of 46 against. In the case of the latter, a group of eight countries abstained, Afghanistan, Burma, Egypt, Indonesia, Iran, Saudi Arabia, Syria and Yemen. In each case, Canada voted with the majority whether in favour of the various paragraphs of the Indian resolution or against the separate Soviet amendments. India did not flinch in face of voting against the cease-fire concept in the Soviet proposals, voting in each case against the Soviet amendments.

3. In the course of his statement, Menon asked the representatives of Iraq, Greece and Denmark to withdraw their amendments. The Greek and Iranian amendments were withdrawn but the Danish amendment, reducing from 60 to 30 days the period in which the political conference would consider the disposition of those prisoners who refuse to be repatriated, remained before the Committee and was eventually adopted by a vote of 39 in favour, including Canada, 5 against, the Soviet Bloc, with 14 abstentions, including India.

4. Menon, after noting "the significant absences" from the United Nations of Chinese and North Korean representatives, addressed a particular appeal to "the audience of the Chinese mainland." He distinguished between the Indian resolution and the Panmunjom proposals. He offered answers to each of the objections raised by the Soviet Bloc to his resolution and he dealt with the Soviet amendments by suggesting that all of their provisions were included in his resolution. He ended his statement with an emotional appeal to the Committee, and particularly to the Soviet Union, to open the door for peace in Korea.

5. Vishinsky offered criticism of the Indian draft along the lines which had become familiar to the Committee. He devoted a good deal of his statement to the issue of an immediate cease-fire, asserting that it was "ludicrous and incompatible to open the door to peace while hostilities continued." He contested India's claim to speak for the Asian continent. He managed to return to the question of forcible screening on Koje Island and made great play of the article by William Stevenson which appeared in the November 22 issue of the *Toronto Star Weekly*. He referred, in addition, to a letter to the President of the General Assembly from the Editor of the *Canadian Tribune* which itself made reference to the Stevenson article.

6. Lloyd of the United Kingdom pointed out that in his remark to the Committee earlier in the debate he had reported the results of his interview with prisoners of war in a camp near Pusan and he had made no reference to questioning prisoners of war on Koje Island.

7. The President suggested suspension of the item until a reply was received from the Chinese and North Korean authorities. Vishinsky would not accept this suggestion and insisted that his draft resolution was still before the Committee and must be voted on. The President agreed that it would be put to vote on December 2. Iran, Mexico and Peru underscored the point that the other resolutions would still remain on the agenda although consideration of the item would be adjourned until a reply came to the Indian resolution.

8. A fuller account of the statements made by Menon and Vishinsky will be forwarded by despatch.

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181. DEA/50069-A-40

Le chef de la délégation à l'Assemblée générale des Nations unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

Telegram 438[64]

New York, December 3, 1952

Secret. Most Immediate.

Please forward following message to the Canadian High Commissioner, New Delhi, Begins: Will you please see that the following message gets to Mr. Nehru immediately, Begins:

I am most grateful to you for your kind and helpful message of November 28th on Korea. The Assembly this afternoon passed the resolution on this matter which your delegation introduced, and which it has steered through the Committee so patiently and wisely. It requests me to transmit the proposals to Peking, and the North Korean authorities, and this I desire to do at once. The question of method, however, is, as I know you will agree, very important. I would like to send with the resolution an explanatory and objective communication, pointing out its importance for peace in Korea, and trying to remove some misunderstandings concerning the proposals. The question arises how the resolution and this accompanying message should be delivered; whether I should merely cable it direct or have it delivered by hand. If the latter, and I think this would be the better procedure, would I be able to use your Embassy in Peking for the purpose? If you think this is possible and desirable, then the message could be delivered by your Ambassador on my behalf, as President of the Assembly. In your earlier message, you were good enough to state that we should follow up this resolution and take full advantage of it. It would be most helpful, for that purpose, if your Government, through your Embassy in Peking, could also urge its importance and acceptability on the Chinese Government. Indeed, if Mr. Menon himself were in Peking, I know he would be in a very good position to remove many of the Chinese misapprehensions and misunderstandings which exist or have been created about it. Ends.

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[64] Le télégramme porte la mention :/Noted in telegram:
Transmitted to New Delhi as No. 250 of December 3rd.
Repeated to London for Prime Minister.

In connection with above message, I am not asking the Indian Government or the Indian Ambassador to act as my representative as President of the Assembly in explaining the resolution, but merely as a channel of communication in delivering it. However, the value of this procedure would be the explanation and follow-up which they might give to the resolution on their own behalf. I am sure the Indian Government will appreciate this. It has been suggested that Menon might take the resolution to Peking as my representative, but I can see difficulties in this regard. We would have to be very careful not to be put in a position where a United Nations representative was not treated with due courtesy and consideration. However, it might be useful if Menon were in Peking as an Indian Government representative at the time of delivery to the Chinese or shortly after. I would be grateful, therefore, if you would sound out the Indian Government whether there is any likelihood of this happening, following up the tentative suggestion which I made in the message.

You should be aware, if you are not already, that Madame Pandit and Menon do not apparently see eye to eye in all these matters, and I do not know what reports Madame Pandit has been sending to her brother concerning Menon's initiative and tactics, or how she would regard Menon's appearance at Peking at this time and in the above connection. Obviously the matter is one of delicacy from more than one point of view and any initiative by you on my behalf, as suggested above, will have to be done delicately and carefully.

I am most grateful to you for your speedy and effective action in connection with my previous message. Ends.

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182. DEA/50069-A-40

Le haut-commissaire en Inde
au secrétaire d'État aux Affaires extérieures

High Commissioner in India
to Secretary of State for External Affairs

TELEGRAM 267[65] New Delhi, December 4, 1952

SECRET. MOST IMMEDIATE.

KOREA

Reference: Your telegram No. 250 of December 3.

Following for Minister.

Following is Mr. Nehru's reply, Begins: I am grateful to you for your message of December 3rd.

Now that the General Assembly has passed the resolution on Korea all of us should certainly do our best to follow it up and try to gain full advantage from it. For this the goodwill of the Chinese Government is necessary. Even if this may not, repeat not, be forthcoming immediately I hope that at a somewhat later stage the Chinese Government will appreciate that the resolution does not, repeat not, do any violence to their principles and can certainly lead to a satisfactory and honourable settlement. We shall instruct our Embassy in Peking to work to this end.

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[65] Le télégramme porte la mention :/Noted in telegram:
Repeated to Candel N.Y., December 4 as No. 213.

I feel, however, that it would probably be more desirable for the resolution and your proposed explanatory memorandum not, repeat not, to be conveyed to Chinese Government through the Indian Embassy. We have no, repeat no, objections to doing so but it seems to me that the Indian Embassy will be in a better position to explain the resolution and your memorandum to the Chinese Government if these were conveyed to the Chinese Government through other means. The resolution might be sent en clair directly by you as President of the Assembly to the Government of Peking and North Korea. If you wish to send your memorandum also en clair then there is no, repeat no, difficulty and this could also be sent directly. If however, you wish to send the memorandum by code then it might be sent to Peking through the representative of some other country. This may be Sweden. I do not, repeat not, see how you can send any code message to North Korea.

We should like to have a copy of the memorandum so that we can send it to our Ambassador in Peking who could then follow it up. You can rest assured that we shall do our utmost in this matter. But as you say, the question of the method to be adopted for transmission of the proposal is very important. It seems to me that the suggestions I have made above are, in the circumstances, probably the best. Ends.

My immediately following telegram comments.

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183. DEA/50069-A-40

Le haut-commissaire en Inde
au secrétaire d'État aux Affaires extérieures

High Commissioner in India
to Secretary of State for External Affairs

TELEGRAM 268[66] New Delhi, December 4, 1952

SECRET. IMMEDIATE.

KOREA

Reference: My immediately preceding telegram.

Following for the Minister, Begins: Left your message with the Foreign Secretary who later saw the Prime Minister. Prime Minister's reply does not, repeat not, I think denote any weakening in his support of resolution but is based purely on tactical considerations. Difficulty is that the Indian

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[66] Le télégramme porte la mention :/Noted in telegram:
Repeated to Candel N.Y., December 4 as No. 214.

Government has already, as announced in official statement of November 29 (see my telegram No. 265 of December 1)† given Chinese Government clarification of resolution in an effort to remove the Chinese "misunderstanding" and Prime Minister therefore considers it would be wise for the Indian Government not, repeat not, to be associated with initial presentation of resolution to Chinese Government but to hold its fire especially since Chinese have already replied to Indians that they do not, repeat not, "misunderstand" the resolution.

2. On receipt of Prime Minister's reply I suggested to Foreign Secretary the importance of Indian Government intervening before Chinese gave an intransigent reply. He was sympathetic. I therefore suggest that when I give Indian Government a copy of your "explanatory" memorandum I be instructed to suggest to Prime Minister the advisability of Indian Ambassador in Peking "following up" your memorandum as soon as possible.

3. Your suggestion about Menon was rather coolly received by Foreign Secretary.

4. When Prime Minister refers to "code" he means "cypher". Ends.

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184. DEA/50069-A-40

Le chef de la délégation à l'Assemblée générale des Nations unies
au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations,
to Secretary of State for External Affairs

TELEGRAM 444 New York, December 4, 1952

CONFIDENTIAL

ACTION ON KOREA IN PLENARY SESSION

Addressed Ottawa No. 444, repeated Washington No. 133.

1. The Indian resolution on Korea adopted by the First Committee on December 1 was considered in plenary session of the General Assembly on December 3 and with one amendment was adopted by a vote of 54 in favour, including Canada, 5 against, the Soviet Bloc, and one abstention, China.

2. The Indian delegation submitted an amendment to the resolution which was circulated just as the delegates took their seats. The amendment was submitted to the last paragraph of the preamble and was adopted by a vote of 53 in favour, including Canada, with none against and five abstentions. The paragraph referred to now reads as follows:

"Accordingly requests the President of the General Assembly to communicate the following proposals to the Central Peoples Government of the Peoples Republic of China and to the North Korean Committee as forming a just and reasonable basis for agreement *so that an immediate cease-fire would result and be effected;* to invite their acceptance of these proposals and to make a report to the General Assembly during its present session and as soon as appropriate."

Spender of Australia expressed the view that the placing of the Indian amendment in the resolution might lead to misinterpretation and suggested that the amending phrase should be inserted at the end of the paragraph. Menon of India indicated that he would like the amendment to remain where it was and since Spender had not insisted on his point the Indian view prevailed.

3. The Soviet Union reintroduced its amendments and its resolution in the plenary session. The amendments were all defeated by votes of 46 or more against. The Soviet resolution was disposed of by a vote of 5 in favour, the Soviet Bloc, 40 against including Canada, and 11 abstentions, the Arab-Asian Bloc including India and with 4 delegations absent.

4. Each of the delegations of the Soviet Bloc spoke against the Indian resolution, using the arguments with which the First Committee had become familiar and making the general charge that the resolution could only lead to prolongation of hostilities in Korea. Menon spoke briefly for India and defended his resolution against the Soviet charges. He said that his amendment was in the nature of clarification in order that there could be no misunderstanding that the resolution was intended as one which would lead to an armistice and the cessation of hostilities in Korea. In his somewhat vague manner, he suggested in addition that since both sides were dissatisfied with the conditions under which prisoners of war were held, it might be possible to have the situation of the prisoners of war camp investigated. We were aware that Menon had expressed the idea within the last few days that some neutral group might be asked to investigate the conditions in prisoners of war camps on both sides and we were relieved that Menon's remarks on the question in plenary were no more specific than they were.

5. Gross speaking for the United States pledged the full support of his government as the government charged with responsibility for the Unified Command to make every effort to carry out the terms of resolution "loyally and completely". He said that if unhappily the resolution did not lead to agreement and an armistice in Korea it would at least have the advantage of setting the record straight and revealing whether the Communists did or did not really desire to reach an armistice agreement in Korea. He asserted that the United Nations spoke to the Chinese and North Korean people through this resolution and he expressed the hope that they would join with the United Nations in an effort to reach an honourable and lasting peace.

185. DEA/50069-A-40

Le secrétaire d'État aux Affaires extérieures
au chef de la délégation à l'Assemblée générale des Nations unies

Secretary of State for External Affairs
to Chairman, Delegation to the General Assembly of the United Nations

TELEGRAM 217 Ottawa, December 5, 1952

CONFIDENTIAL. IMPORTANT.

KOREA

Following from the Under-Secretary, Begins: I think the adoption by the Assembly of the Indian resolution is a heartening example of the value of the United Nations as a catalyst of opinion in the free world. It may be true that we are no closer to an armistice in Korea, but at least the Communists have been completely isolated. The degree of unity shown by the non-Communist world is far beyond what any serious observer would have expected in mid-October when the Assembly opened. More specifically, the fact that the United States and India have supported the same resolution is encouraging for the future. Mr. Pearson as President of the Assembly has, of course, played a central role and the Canadian Delegation has had a very prominent part to play. Our warmest congratulations on the results achieved. Ends.

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186. DEA/50069-A-40

Le haut-commissaire en Inde
au secrétaire d'État aux Affaires extérieures

High Commissioner in India
to Secretary of State for External Affairs

TELEGRAM 269[67] New Delhi, December 5, 1952

SECRET. MOST IMMEDIATE.

KOREA

Reference: My telegram No. 267 of December 4.

Following for the Minister, Begins:

1. Prime Minister Nehru who is in Bombay today has been discussing the matter with Bajpai who has telephoned Pillai[68] to suggest that you be reminded

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[67] Le télégramme porte la mention :/Noted on telegram:
Repeated to New York as No. 215 of December 5.

[68] Narayana Ragnavan Pillai, secrétaire général du ministère des Affaires extérieures de l'Inde.
Narayana Ragnavan Pillai, Secretary General, Ministry of External Affairs of India.

that two years ago Entezam[69] as a member of your three-man committee, sent a message direct to the Chinese and that if you were not, repeat not, also to communicate the resolution direct to the Chinese, the Chinese might consider you thought you were too big a man to communicate with them directly.

2. Prime Minister has also requested that if you are sending him a copy of your explanatory memorandum you might give a copy to Mrs. Pandit in New York. Ends.

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187. DEA/50069-A-40

Le haut-commissaire en Inde
au secrétaire d'État aux Affaires extérieures

High Commissioner in India
to Secretary of State for External Affairs

TELEGRAM 271[70] New Delhi, December 6, 1952

SECRET. MOST IMMEDIATE.

KOREA

Reference: My telegram No. 269 of November 5.

Following for the Minister, Begins: Prime Minister has requested that you be informed that he thinks that Peking broadcast of yesterday, with its unfriendly criticism of the part played by India, makes it even more desirable that your communication as President of the Assembly be made direct to Peking and not, repeat not, through Indian Ambassador.

2. Indian Government anxious to know what your decision is. Ends.

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188. DEA/50069-A-40

Le chef de la délégation à l'Assemblée générale des Nations unies
au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations,
to Secretary of State for External Affairs

TELEGRAM 460 New York, December 6, 1952

SECRET. IMMEDIATE.

PREVIOUS COMMUNICATIONS WITH NEW DELHI ON THE QUESTION OF TRANSMISSION OF THE KOREA RESOLUTION

Reference: Your telegram No. 215 of December 5.

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[69] Nazrollah Entezam, chef de la délégation de l'Iran.
Nazrollah Entezam, Chairman of Delegation of Iran.

[70] Le télégramme porte la mention :/Noted in telegram:
Repeated to New York as No. 223 of December 6th.

Following from the Minister, Begins: Please request our High Commissioner in New Delhi to transmit the following message from me to Mr. Nehru, Begins:

I have received through our High Commissioner your reply to my message of December 3 and I am deeply grateful to you for the consideration which you have given to this question. In the light of the views which you have expressed concerning the best tactical approach to Peking, I have decided to transmit the text of the resolution and a brief message directly by telegram to Chou En-Lai and also to the Foreign Minister of the People's Democratic Republic of Korea. These communications were sent forward late last evening but it is not intended to release the text of the covering message until time has elapsed to permit its receipt in Peking. The text of my message therefore will probably be released by the United Nations Secretariat in the course of today (December 6). An advance copy was sent to Madame Pandit late last evening. Any subsequent steps you can take in Peking through your Ambassador to follow up this matter will, I am sure, be most helpful and will be of the greatest possible assistance to us all. Regards.

2. Text of my message to Chou En-Lai is as follows, Begins:

The General Assembly of the United Nations, at its 399th plenary meeting on December 3, 1952, adopted a resolution under item 16(a) of its agenda — Korea: Reports of the United Nations Commission for the Unification and Rehabilitation of Korea. Under the terms of that resolution, originally sponsored by the Government of India, the President of the General Assembly is requested "to communicate the following proposals to the Central People's Government of the People's Republic of China and to the North Korean authorities as forming a just and reasonable basis for an agreement so that an immediate cease-fire would result and be effected; to invite their acceptance of these proposals and to make a report to the General Assembly during its present session and as soon as appropriate." In discharge of the duty placed upon me by the terms of that resolution, I have the honour to transmit to you the text of the resolution and to invite your acceptance of the proposals contained therein.

(2) I send this message to you against the background of the casualties, the sufferings, and the destruction in Korea which are the inevitable consequences of war, and I add my personal appeal that you should give it your most thoughtful and sympathetic consideration. When the First Committee of the General Assembly, by an unanimous decision, agreed to treat the Korean question as a matter of urgency, its decision reflected the concern of all members of the United Nations, a concern which I am sure is shared by the peoples of the world, over the tragedy of war and devastation in Korea, and their deep desire to bring this war to an end on terms acceptable to both sides. To this end negotiations have been proceeding for some sixteen months at

Panmunjom, in the course of which a wide measure of agreement on the terms of an armistice has been reached. The sole remaining issue which has not been settled in the course of these armistice negotiations concerns the principles and procedures by which the repatriation of prisoners of war can be effected.

(3) In itself, the prisoners of war issue is a challenge to the fundamental humanitarian instincts which are shared by all mankind and urgently calls for solution. In camps on both sides, human beings have been kept for long months under military detention while the lengthy negotiations concerning their fate have been continuing. There is an inescapable moral obligation on both sides in the Korean conflict to make every possible effort to ensure that these prisoners of war shall be free to return to their homelands, and their speedy return facilitated.

(4) The discussion of this matter in the First Committee of this Assembly has made clear the general agreement in the United Nations that this problem should be dealt with and the repatriation of prisoners of war should be effected under the terms of the Geneva Convention relative to the treatment of prisoners of war of August 12, 1949, under the well-estabished principles and practice of International Law, and under the relevant provisions of the draft armistice agreement. It was also generally agreed that prisoners of war should be released from the custody of the detaining powers to a repatriation commission so that they can be free to exercise their undoubted right with respect to repatriation, and that it was inconsistent with common humanitarian principles that a detaining power should offer any hindrance to the return to their homelands of any prisoners of war. Finally, there was general agreement that the Geneva convention cannot be construed as authorizing a detaining power to employ force to effect the return of individual prisoners of war to their homelands.

(5) The General Assembly resolution clearly states the above principles with respect to the solution of the prisoner of war issue, and, in addition, makes concrete proposals with regard to the machinery of repatriation. It represents ideas put forward by many governments represented in the General Assembly whose unanimous desire is to bring peace to Korea. The resolution can make this desire effective because its acceptance will make it possible to achieve an armistice and a complete and immediate cessation of hostilities.

(6) The resolution, in addition, makes reference to the desire of the General Assembly to expedite and facilitate, once an armistice is effective, the convening of a political conference provided for in Article 60 of the draft armistice agreement already accepted by the military negotiators at Panmunjom.

(7) It is my earnest hope that the Central People's Government of the People's Republic of China will accept these proposals of the General Assembly as a basis for the solution of the one remaining issue which has

prevented the conclusion of an armistice during the negotiations at Panmunjom. Once this issue is solved, it will become possible to bring the fighting to an end and complete the programme for a peaceful settlement in Korea leading, we must hope, towards a more general settlement which would contribute to peace in Asia and in the world.

(8) The United Nations is determined to do everything possible to bring the fighting to an end in Korea. This is also the declared aim of the Central People's Government. This common aim can be achieved if the proposals which are now submitted for your consideration are, as I earnestly hope will be the case, accepted in the spirit in which they are put forward. In this hope, as President of the Seventh Session of the General Assembly of the United Nations, I appeal to you to accept these proposals of the United Nations as forming a just and reasonable basis for an agreement which will serve to bring about a constructive and durable peace in Korea.

(9) I shall look forward to receiving as soon as possible your reply to this communication, which I shall report to the General Assembly when it is received.

(10) In accordance with the decision of the General Assembly, the text of the resolution has also been communicated to the North Korean authorities, to whom I am sending a similar message.

(11) Please accept, Sir, the assurance of my highest consideration. Ends.

3. Text of resolution follows. Ends. Message ends.

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189. DEA/50069-A-40

Le haut-commissaire en Inde
au secrétaire d'État aux Affaires extérieures

High Commissioner in India
to Secretary of State for External Affairs

TELEGRAM 277[71] New Delhi, December 12, 1952

SECRET. IMMEDIATE.

KOREA

Following for Minister.

Pillai, Secretary General of External Affairs Ministry gave me the following information this afternoon.

2. Immediately after receiving your message on November [December?] 7th the Prime Minister instructed the Indian Ambassador in Peking that in speaking to the Chinese Government about Assembly resolution he was not,

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[71] Le télégramme porte la mention :/Noted on telegram:
Repeated to New York as 239. Dec. 12/52.

repeat not, to be apologetic about Indian role at Assembly; he was to be firm but not, repeat not, show resentment at language used by Peking.

3. The Indians have not, repeat not, yet received any indication of nature of reply Chinese will make to your message. Pillai thinks they are probably consulting their friends in Moscow but he takes some encouragement from the fact that there has not been an immediate rejection. He thinks the Chinese will probably not, repeat not, make their position clear until Eisenhower's policy is clearer.

4. Pillai, while disclaiming that he attaches much importance to story, has twice given me at length the following information which if true would indicate that Chinese are partners not, repeat not, puppets of Russians. The Swedish Minister in Peking recently informed the Indian Ambassador that he had heard from French source that Chou En-lai, on his recent visit to Moscow, had informed Stalin that China would not, repeat not, make peace in Korea except on his own terms since China found the continuation of the war useful for three reasons: her ability to hold United Nations forces increased her prestige; the war helped to create unity at home; the fighting provided useful training for the Chinese army. The same source has said that the Chinese have requested the Russians to remain at Port Arthur presumably because this would discourage the United Nations from extending the war.

5. Pillai expressed personal displeasure at Menon's speech in the United States on Chinese recognition which serves no, repeat no, useful purpose but merely annoyed the Americans.

6. He pressed me for my personal views on a story which he had received that a group in the Pentagon did not, repeat not, want an armistice in Korea at the present time. I said that I found it hard to believe that such a group could represent more than a minority point of view because of powerful strategic and political arguments in favour of an armistice, e.g. that war diverts strength from Europe and puts a political strain on the North Atlantic Alliance. I put this point as strong as I could since it is, I think, obvious that the Prime Minister is skeptical about the professed desire of United States for an armistice.

7. There must be some sort of re-examination of Indian foreign policy taking place here as a result of recent events. Obviously the more that can be done to lessen fear about foreign policy of new administration in Washington the more likely the re-examination will lead in the direction we want.

190. DEA/50069-A-40

Extrait de la note de la Direction de l'Extrême-Orient pour le sous-secrétaire d'État aux Affaires extérieures[72]

Extract from Memorandum by Far Eastern Division to Under-Secretary of State for External Affairs[72]

SECRET [Ottawa], December 20, 1952

KOREA — RECENT DEVELOPMENTS

. . .

2. On December 14, Chou En-Lai, Foreign Minister of the Peking Government, replied by cable to Mr. Pearson's message, and this reply was made public on December 15. The Chinese reply rejected the Assembly's resolution as being "illegal and void", and charged that it supported "the United States Government's position of forcibly retaining in captivity prisoners of war in contravention of international conventions". Other portions of this lengthy and violent message reiterated the familiar Communist position on the Geneva Convention, and contained equally familiar assertions regarding terrorism by United States forces in Korea. The reply concluded by asking the Assembly to rescind its resolution and to call upon the United States Government "to resume immediately the negotiations at Panmunjom" on the basis of the Draft Armistice Agreement. Attached is a copy of this reply, reproduced as U.N. Press Release PM/2481.†

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[72] Le document porte la note suivante :/The following was written on the document: (through U[nited] N[ations] Division).

CHAPITRE III/CHAPTER III

NATIONS UNIES
UNITED NATIONS

PREMIÈRE PARTIE/PART 1

SIXIÈME SESSION DE L'ASSEMBLÉE GÉNÉRALE, PREMIÈRE PARTIE, (6 NOVEMBRE-21 DÉCEMBRE 1951)
SIXTH SESSION OF THE GENERAL ASSEMBLY, FIRST PART, (NOVEMBER 6-DECEMBER 21, 1951)

APPRÉCIATION/ASSESSMENT

191. DEA/5475-DW-14-1-40

Note du sous-secrétaire d'État suppléant aux Affaires extérieures

Memorandum by Deputy Under-Secretary of State for External Affairs

SECRET [Ottawa], January 11, 1952

THE DELEGATION'S ASSESSMENT OF THE UNITED NATIONS ASSEMBLY

Telegrams from Paris Nos. 252 of December 21† and 272 of December 29[1] appear to me to indicate that a natural feeling of irritation against the Asian and other under-developed countries may be clouding the judgment of the Delegation on tactics and strategy. The irritation may also be making it difficult for our Delegation to understand the Asian approach to problems before the Assembly. The Asians seem to be judged by one standard and we by another.

2. Thus the reason we support certain resolutions which are otherwise futile is that they are good propaganda in the Western world. When the poor countries insist on passing a resolution about an international development fund we say that it is futile and will debase the currency of United Nations resolutions and machinery, but we do not accept the fact that from their point of view it is good propaganda in the under-developed world.[2]

3. When we refuse to accept compromise proposals, we are opposing wishful thinking which assumes that a clever form of words can eliminate vital differences of principle. When the poor countries refuse to water down their resolutions they are being intransigent and unrealistic and irresponsible. Presumably, however, they could retort that what we are asking them to do is to assume that a clever form of words can eliminate vital differences of

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[1] Voir le document 212./See Document 212.

[2] Note marginale :/Marginal note:

There is a difference of course in the nature of the publicity. L.B. P[earson] principle between poor and rich countries on how much assistance rich countries should give to poor.

4. A good deal is made of the so-called irresponsibility of the poor countries. I assume that an irresponsible delegation is one which supports policies which are not in the interests of that delegation's country. Perhaps, however, the pressure that the poor countries are putting on the rich countries in the debates over Morocco, Southwest Africa, economic development, human rights is, on the whole, serving the interests of the poor countries. While this pressure is annoying to the West, if it is kept up, it is probably going to make it increasingly difficult for the West to refuse to increase the pace of the granting of self-government and to increase the pace and extent of the economic aid which it grants.

5. Paragraph 8 of telegram No. 252 contrasts the Western propaganda resolutions on disarmament, Germany, Yugoslavia and Italy with impractical and ideologically confusing compromises put forward by the poor countries. The impression conveyed is that the Assembly had to choose between these two types of resolution. I suggest that on some at least of the resolutions a half-way house might have been possible. Thus in the disarmament resolution we were, from the beginning, of the opinion that it was unwise to ask the Assembly once again to affirm support of the majority plan on atomic energy. The Americans were intransigent on this. There may have been other amendments which could have made it more palatable to the Asian and Latin American Delegations. The same may have been true of the other three Western propaganda resolutions. The feeling I get from this distance is that insufficient efforts have been made by the principal Western Delegations in Paris to try to reach agreement with the Asian Delegations on compromises which would not diminish greatly the propaganda value of the resolutions in Western countries and might increase their propaganda value in other countries.

6. The suggestion that the United Nations might adopt a "coming into court with clean hands" doctrine is disturbing. The short answer is that the Assembly is not a sort of court but a sort of parliament. Another answer is that the clean hands doctrine is applicable only to certain types of cases before courts. If an assault or theft is committed, the criminal is prosecuted even if the person who has been assaulted or whose belongings have been stolen does not have clean hands.

7. The basic objection, however, to the doctrine is that its adoption would mean that the Assembly would be turned into a Quaker meeting in which no one would be moved by the spirit to speak since no country comes to the Assembly with clean hands. There are relative degrees of dirt.

8. In one place at least the telegram indicates that the author has accepted at face value public statements which the Canadian Delegation has made even though it is clear that these public statements are misleading. It is said in paragraph 21 that "of course the highly industrialized countries *cannot* under present circumstances increase expenditures for foreign assistance." It is not a matter of *cannot* but *will not*. There is no economic bar to Canada, for example, increasing its Colombo assistance from $25 million to $100 million a

year. We could do so either by reducing our defence expenditures by $75 million or by reducing the investment boom in Canada by $75 million or by cutting down civilian consumption in Canada or by borrowing from the United States or by a combination of all five methods.

9. Telegram 252 seems to oversimplify dangerously the difficult problems created by the rise of Islamic nationalism in areas which are of strategic importance to the Western world. It seems to assume that the aspirations of Islamic nationalism can be satisfied only at the expense of the defence requirements of the Western world. This is too simple a view. There may be cases where the defence requirements of the Western world require us to satisfy Islamic nationalism at the expense of a metropolitan power. We have, for example, to weigh the possibility that a continuation of present French policy in Morocco might provoke so much disorder there as to constitute a greater strategic danger to us than a grant of self-government to Morocco.

10. Moreover, to look at the wider picture, it is impossible for the Western world to prevent the Islamic world from falling under Communist domination if we permit the Communists to capture the various Islamic nationalist movements. We must, therefore, not allow these movements to conclude that we are their enemies and the Communists are their friends. This is of the utmost importance to us for purely realistic strategic reasons. Thus when we consider what is "a realistic if inglorious" policy in Morocco or Southwest Africa we must realize that strong strategic arguments can be brought forward in favour either of supporting the French and the South Africans or of supporting the Arabs and the coloured people. Indeed, on purely realistic if inglorious considerations, it may be in the interests of the West to throw to the wolves the two million white people in South Africa if it should become clear that our continued support of them would increase greatly the danger of the Communists getting the support of the billion or so coloured people in the world. I am not suggesting that our policy on Southwest Africa should be based on such purely "realistic" considerations. I do suggest, however, that those who call themselves realists about South Africa may be sentimentalists.

11. Similarly, I suggest that the policy of the Western countries on Morocco at this Assembly was contrary to our own interests and was unrealistic and sentimental.[3]

E. R(EID)

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[3] Note marginale :/Marginal note:
I can't say I agree with all of this. L.B. P[earson]

192. DEA/5475-DW-14-1-40

Extrait d'une lettre du représentant permanent auprès des Nations unies au sous-secrétaire d'État suppléant aux Affaires extérieures

Extract of letter from Permanent Representative to the United Nations to Deputy Under-Secretary of State for External Affairs

SECRET Paris, January 23, 1952

Dear Escott:

I have your letter of January 11† enclosing the memorandum which you prepared after surviving the shock of receiving our telegrams Nos. 252 of December 21 and 272 of December 29.

Needless to say, I have read your memorandum with much interest. Perhaps it would be better if I postponed comment on most of the points raised in it until we have an opportunity of discussing them at length in Ottawa.

I would, however, like to comment on the first paragraph of your memorandum which suggests that a feeling of irritation against the Asian and other under-developed territories may be clouding the judgment of the delegation on tactics and strategy. Perhaps I am wrong, but I have interpreted this paragraph to mean that the delegation has failed in some way to give effect to the principle set out in the following paragraph.

Each member of the delegation is, I think, very conscious of the importance of the passage in the commentary referred to in Mr. Pearson's telegram No. 206 of January 9,† namely:

"If the differences between the West and the Asian States led by India should become more pronounced, the result could be extremely serious, especially in its effects on Western attempts to restrain the expansionism of the Soviet Union. Canadian effort at the Sixth Session of the General Assembly should therefore be directed toward helping to eliminate misunderstanding and, where possible, to bridge the gaps between the policies of the United States Government and those of the Asian Governments."

I have interpreted this passage widely to mean that not only should we try to bridge the gap between the policies of the United States and those of Asian countries, but that we should where possible endeavour to gain the sympathy and friendship of Middle East, Asian, and Latin American countries.

Each member of the delegation is also very conscious of the fact that we have been able to do very little at this Assembly to gain the good-will of Middle East, Asian and Latin American countries. We think, however, that the main reason for our failure is that, whereas our general instructions emphasize the importance of the bridging the gap principle, the instructions we have received on specific issues have prevented us from giving effect to this principle on most of the important questions that have come before the Assembly.

Let me review some of the issues to which most of the Middle East, Asian and Latin American countries have attached great importance in this Assembly:

(a) Economic Development of Under-Developed Countries

It is, I think, true to say that we were amongst those who took the lead in opposing the setting up of an International Development Authority to provide for the development of under-developed countries. The Chilean resolution on this subject had the vigorous support of nearly all Middle East, Asian and Latin American countries. When the Chilean resolution passed in Committee over our adverse vote, we voted and spoke against it in Plenary and we were ready to make representations in the capitals of those countries which had actively sponsored the resolution, if the United States took the lead in so doing. My impression is that our votes and speeches on this issue were in accordance with our instructions.

(b) Covenants on Political and Economic Rights

There is little doubt that the position of our delegation at this Assembly has been further removed from that of those delegations desiring covenants on political and economic rights than that of any other delegation except possibly the United Kingdom. On this issue, it might be said that the United States delegation tried to bridge the gap between Canadian and United Kingdom policy and that of Asian, Middle East, and Latin American countries. In a speech which Mrs. Marshall[4] made to the Third Committee throwing cold water on the whole idea of a covenant of economic rights, Mr. Heeney expressed concern because some kind words were said about a covenant restricted to the traditional political rights. Again, I understand that the position we took on this issue was in accordance with Cabinet instructions. If we departed from Cabinet instructions, it was probably, as Mr. Heeney suggests, in giving more sympathetic consideration to the position of Middle East, Asian and Latin American countries than was warranted.

(c) Morocco

We took the lead in having the consideration of this item postponed by the Assembly. The decision to sponsor the resolution postponing consideration of the discussion of Morocco was taken by the the Minister. The Middle Eastern and Asian countries particularly were vitally concerned in this issue. It was on this issue that Sir Zafrulla Khan, generally a good friend of the Western Democracies, paid humble tribute to the Soviet bloc delegations for the stand they had taken.

(d) Disarmament

In your memorandum you say "we were from the beginning of the opinion that it was unwise to ask the Assembly to affirm support of the majority plan on atomic energy." Although some uneasiness was expressed in the commentary about the ambiguousness of our stand in favour of the majority plan, neither the commentary nor, I believe, our instructions for the Committee of Twelve last summer went so far as to say it would be unwise to ask the Assembly to affirm support for the majority plan. Moreover, in discussions which I had with Mr. Pearson, I do not remember that he suggested it. To satisfy India and other abstainers on the three power resolution it would have, I think, been necessary not only to drop any reference to the majority plan (which we might have accepted) but to have confined the resolution to setting up a disarmament commission with no terms of reference except to consider all proposals put before it. I was not aware that this was the type of resolution favoured by the Department.

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[4] Mme R.J. Marshall, membre de la délégation à la sixième session de l'Assemblée générale.
Mrs. R.J. Marshall, Representative, Delegation to the Sixth Session of the General Assembly.

(e) South Africa

We perhaps had the worst of both worlds on this subject. Though we may have offended the South Africans, I do not think we won the good-will of the various countries which took the lead in criticizing South Africa's policy regarding South-West Africa and Indians in South Africa. Though we voted in favour of the "regretting" resolution, we abstained on nearly all other questions affecting South Africa and made no statements in Committee or Plenary.

(f) Trusteeship Questions

Although our general instructions on trusteeship encouraged us to attempt to reconcile the administering authorities and their critics, the guidance we had on specific questions usually forced us to take a position on the side of the administering powers. Moreover, we were under instructions from the Minister not to take a prominent part in the Fourth Committee. We were thus rarely in a position to bridge the gap between administering and non-administering powers.

(g) Wheat

A few days ago some members of the delegation thought that they might be able to give some support to an Indian amendment to a food and famine resolution which requested the grain exporting countries to play a special role in the study which FAO is going to carry out on the question of the food reserves. Our instructions were, however, to abstain if the Indian amendment had been put to a vote. Although the Indian delegate withdrew his amendment under strong pressure, it was clear that he blamed the Canadian delegation for the pressure brought to bear upon him. He, in fact, expressed his resentment to us.

I do not complain about the instructions we received on any particular issue but I do suggest that when our specific instructions make it difficult for us to carry out our general instructions, consideration might be given to changing either the general instructions or the instructions on specific issues. As a result of my experience at this Assembly, I cannot help thinking that there should be a franker recognition in our general instructions that in reaching a decision on a specific question the following principles carry great weight:

(a) We consider that when a matter adversely affects our self-interest we vote in accordance with our self-interest without much regard for the effect that our vote will have on other delegations. This principle would, I think, explain our position on questions such as the International Development Authority, Human Rights, Wheat, and Newsprint.

(b) We were not prepared, except under considerable provocation, to offend or embarrass our friends even though we think that some action they have taken is wrong or unwise. This would, I think, explain our stand on Morocco, the United States Mutual Security Act, and perhaps also South Africa. A special word is in order about South Africa. No doubt our stand on South African questions has displeased and probably offended the South African Government, although their delegation here have taken it in good part. Let us review some of the decisions. We voted for the "regretting" resolution, but only after it had, at our request, been watered down to a very mild resolution. We abstained on the question of invitations to the Herero Chiefs[5] and to Michael Scott. We also abstained on a mild resolution regarding the position of Indians in South Africa. When the South Africans threatened to introduce a resolution in Plenary declaring illegal the action of the Fourth Committee in inviting witnesses to appear before it, we told the South Africans that we would abstain on this resolution even though we thought the action of the Fourth Committee was legal. Hence, if the stand we took on South Africa implied censure, it was only mild censure. It seems true to say that we have been long suffering and patient, and the stand that we took at this Session was mainly due to South African intransigence.

(c) Solidarity with Western Democracies. On nearly all important issues where the policies of the United States, United Kingdom and France clashed with those of the Soviet Union, we took our stand with the Western Democracies. We did so, of course, not only for reasons of solidarity but because our own interests and convictions coincided very largely with those of the Western Democracies. Nevertheless, I cannot think of a single vote of any importance between East and West on which we opposed the United States, United Kingdom and France combined. Most of our abstentions were on issues where the United States, United Kingdom, and France were themselves divided.

(d) Bridging the gap. It was only when the principles outlined in paragraphs (a), (b), and (c) did not come into play that we were able to apply the bridging the gap principle. This was done, for example, in discussions about the Palestine Conciliation Commission. On one or two other occasions where we might have done more than we did, we did not act because we had no time to ask for instructions and were, in view of the Minister's instructions to us here, reluctant to take a lead without specific authority from the Department.

Perhaps I should say a special word about India. In this Assembly it would have been difficult to bridge the gap between Indian and United States policies. Except on a few issues in which it has a special interest (for example, development of under-developed countries, South-West Africa, Indians in South Africa) the Indian delegation has abstained where the policies of the Soviet Union and the United States have differed (i.e. disarmament, Collective Measures Committee Report, German Elections Commission) and did not indicate what they considered the right policy to be. They merely said that India would abstain until the Great Powers could agree among themselves. As a rule Indonesia, Afghanistan, and Burma followed the Indian lead. In these cases where India had no positive policy of its own it would have been difficult to bridge the gap between Indian and United States policies except by bringing pressure on the United States to make concessions to meet the Soviet view.

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[5] Du Sud-Ouest de l'Afrique./Of South West Africa.

I freely confess that I have been irritated by the attitude of some under-developed countries and particularly Latin American ones. I am irritated with Chile and Peru at this moment. The representatives of these two countries have taken a most self-righteous line in this Assembly and yet when they were invited to appear before the Negotiating Committee to state what contributions they might make to the expanded technical assistance programme, neither country took the trouble to appear or to send a word of excuse. (Last year neither country made any contribution to the programme. That is perhaps the reason why they did not come.) I am, however, not conscious that a feeling of irritation has influenced my judgment on any specific question.

I am looking forward to seeing you in Ottawa. May I express the hope that the members of the Department will not start sharpening their knives at least until I arrive.

. . .

Yours sincerely,
DAVID M. JOHNSON

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193. DEA/5475-DW-14-1-40

Le haut-commissaire en Inde
au sous-secrétaire d'État suppléant aux Affaires extérieures

High Commissioner in India
to Deputy Under-Secretary of State for External Affairs

SECRET AND PERSONAL New Delhi, January 24, 1952

Dear Escott,

I have your letter of January 11th† with its enclosure which says most acutely a number of things that I have wanted to have said. I might add a few comments as follows:

Propaganda

I cannot see much future for an international organization if propaganda and tactics take charge. The best propaganda, if one must speak in such terms, comes by indirection, from dealing and seeming to deal with problems on their merits. In my experience abroad I have been much struck by the reputation that Canada has attained because, on the whole, we are regarded as good world citizens trying so to act. International confidence can only be built up if, by and large, such conduct comes generally to be expected. The trouble now is that the world is becoming so shrewd in recognizing propaganda and tactics for what they are that it may come to suspect them when they are not present. Such a result would be a crowning disaster and would, more than anything else, "debase the currency of United Nations resolutions and machinery."

Even if, on occasion, (compare, for instance, your paragraph 9) some outstanding practical reason might prevent us from concurring with any course that would otherwise seem more in accord with the spirit of the times, an honest statement of our reasons might be better than evasion, and would, at least, be understood. I recall an account by Lord Irwin, as he then was, of a conversation with Gandhi who had come to ask him why the police had not been severely disciplined because of their conduct on a certain occasion. Irwin replied that, as Ghandi knew, there was about to be some great meeting that the police would have to superintend. He could not afford, he said, to let his police go there with their tails between their legs. Ghandi said that he quite understood the practical force of such an answer and retired without any further argument. In spite of appearances there is a large amount of this practical sense in the East.

This may be *à propos* the Canadian stand on the Santa Cruz idea. We could not be sure here that we had the correct text of the proposal which went through various transformations, but it seemed to be always subject to the hoped-for reduction in defence budgets; if so, whatever else might be said of it, it would not seem to have been answered by a statement that "the highly industrialized countries cannot *under present circumstances* increase expenditures for foreign assistance." Even under "present circumstances", as you point out, the word "cannot" was hardly accurate. Besides the illustrations you give, rearmament does not seem to deter us from promising $18,000,000 to television and did not deter us from giving $60,000,000 to Canadian farmers. I should have thought that we could have made a much less categorical answer, explaining at the same time that however much it might be willing to join in helpful measures when the circumstances permitted, no country could give a perpetual blanket mortgage for the future.

I agree thoroughly on "intransigence". I am becoming very sick of the word. I once defined a bore as one who prevents me from being a bore. Somewhat similarly, "intransigence" seems to mean anything that runs counter to my own intransigence. Usually, the word is applied when the other fellow wishes to follow his policy rather than mine, or, when I try to fob him off with a short-cut, insists on reminding me of a principle. If there were an international A.B.C. of words not to be used, at least for some time, I would put "intransigence" among them.

In some respects it may seem that the poorer nations are demanding a new sort of colonialism, and their expectations are, at times, somewhat extravagant; but after all, the hopes of these nations are founded in the Charter, and surely it is from the West that the doctrine came that the standards of living must be raised in backward countries. Even if we must think for the present in terms of a divided world it is in the interest of one half of that world that the new democracies now in being should be able to stand up economically, and that other backward countries should be able to grow in health.

I hope that in our general policies we are not going so to act as to crystallize the notion of an Islamic world. We have enough sectionalism as it is. It is noteworthy that the Arab and Asian powers that made representations yesterday on Tunisia were not exclusively Muslim. India, a determinedly secular state, was among them. The true policy, not only for the Commonwealth but for the world, is that stated by Sir Eyre Crowe years ago: the policy that fits the best interests of the greatest number of mankind. Our best propaganda and our best tactics will lie in pursuing the courses that seem to have that policy as their guide.

Yours sincerely,
WARWICK CHIPMAN

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194. DEA/5475-DW-14-1-40

Le sous-secrétaire d'État suppléant aux Affaires extérieures au représentant permanent auprès des Nations unies

Deputy Under-Secretary of State for External Affairs to Permanent Representative to the United Nations

PERSONAL AND SECRET Ottawa, February 6, 1952

Dear Dave,

Many thanks for your letter of January 23 commenting without any evidence of irritation on my irritating remark that some of the telegrams from the Delegation in Paris indicated that a natural feeling of irritation against the Asian and other under-developed countries at the Assembly might be clouding the judgment of the Delegation on tactics and strategy.

My memorandum has served a useful purpose by precipitating your letter. I agree with you that consideration should be given to changing either the general instructions to our Delegation to the Assembly or the instructions on specific issues, and I hope that in our post mortem on the last session of the Assembly we can go into this question fully both on the official level and then in discussions with the Minister.

I do hope that these post mortem discussions can be arranged to take place in Ottawa at a time to suit your convenience and the plans of the Minister.

In this post mortem I hope that we will re-examine in turn our policy on the seven points which you list on pages 2 to 4 of your letter.

No such re-examination will be of much practical value unless it is accompanied by some discussion of the relative degree of importance which we attach to maintaining at the General Assembly an outward show of solidarity with the United States, the United Kingdom and France. In your letter you state that you cannot think of a single vote of any importance between East and West on which we opposed the United States, the United Kingdom and France combined. I should like to know whether this statement of yours would be equally accurate if you omitted France. It also would be interesting to compare our position on these votes with that taken, say, by Norway or the Netherlands.

We might also discuss in the post mortem the merits of the general principle on voting which we have followed at this Assembly. This principle, as I understand it, is that when we are in fact opposed to a resolution moved by a friend, we demonstrate our opposition by abstention and that when we are in fact in favour of a resolution proposed by the Soviet group, we demonstrate our approval by abstention.

If you will look at my memorandum of January 11 again, I think you will see that my worries were not about the actual position which the Delegation had taken on any issue as about the kind of analysis of issues which was set forth in the two telegrams I referred to. My complaint was that in the analysis of issues before the Assembly the Asians seemed to be judged by one standard and the Western Powers by another. My other worry was that there was, it seemed to me, an over-simplification in the telegrams of the difficult problems created by the rise of Islamic nationalism in areas which are of strategic importance to the Western world.

I hope that you can, before your arrival in Ottawa, prepare a memorandum on the Assembly which would constitute the basis for our post mortem and a starting point for a reconsideration of policy on specific issues. It would be very useful if you could send this to us in Ottawa before you arrive here so that we can circulate it.

All your friends in the Department are looking forward with keen anticipation to seeing you again. It seems a very long time since we said good-bye in Karachi two years ago. You will also find the Department loud in their praises of the way in which you have carried out a most difficult task at this Assembly. The job of Chief of Staff of the Delegation to the Assembly is difficult enough at any time but at this Assembly it was much more difficult than usual. The reasons are obvious. The Minister was there for only part of the time. If the Assembly had been in New York it would have been easier to have got Ministerial decisions quickly. The Delegation this year contained fewer members with long experience. This session of the Assembly was confronted in a way in which no previous session has been by the second most crucial problem of our generation — the relations between the "have" world and the "have not" world.

All best wishes.

Yours sincerely,

ESCOTT REID

2e PARTIE/PART 2

SIXIÈME SESSION DE L'ASSEMBLÉE GÉNÉRALE, DEUXIÈME PARTIE, (2 JANVIER-5 FÉVRIER 1952)
SIXTH SESSION OF THE GENERAL ASSEMBLY, SECOND PART, (JANUARY 2-FEBRUARY 5, 1952)

SECTION A

COMMISSION DE CONCILIATION POUR LA PALESTINE
PALESTINE CONCILIATION COMMISSION

195. DEA/50134-40

Le chef de la délégation à l'Assemblée générale des Nations unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

TELEGRAM 241 Paris, December 19, 1951

CONFIDENTIAL

PALESTINE CONCILIATION COMMISSION

Reference: My preceding telegram.[†]

Following is the text of the revised draft resolution on Palestine given to our delegation by Campbell of the United Kingdom delegation this morning with a request that it should not be discussed at this juncture with any other delegation. Text begins:

The General Assembly

RECALLING its Resolution 194 (III) of 11 December, 1948 and 394 of 14 December, 1950,

HAVING EXAMINED the report of the United Nations Conciliation Commission for Palestine (A/ .....),

NOTING THAT agreement has not been reached between the parties on the final settlement of outstanding questions,

RECOGNIZING THAT in the interests of the peace and stability of the Near East efforts to achieve such a final settlement should be continued,

1. Urges the governments concerned to seek agreement with a view to an early settlement of their outstanding differences and for this purpose to make full use of United Nations facilities;

2. Expresses its appreciation to the Conciliation Commission for Palestine for its efforts to assist the parties to reach agreement on their outstanding differences;

3. Notes with regret that, as stated in paragraph 87 of the report, the Commission has been unable to fulfil its mandate;

4. Considers nevertheless that, in the light of Paragraph 86 of the report, the Conciliation Commission for Palestine should continue to be available to the parties to assist them in reaching agreement on outstanding questions, (and that the office established under paragraph 2 of resolution 394 (V) of 14 December 1950 should continue to be maintained);

(5. Authorises the Conciliation Commission for Palestine to designate in its discretion and after consultation with the Secretary-General a representative or representatives to assist the parties in reaching agreement on outstanding questions when in the opinion of the commission circumstances warrant);

6. Decides that the headquarters of the Conciliation Commission for Palestine should be transferred to the headquarters of the United Nations;

7. Requests the Conciliation Commission for Palestine to report to the seventh regular session of the General Assembly on the progress of efforts to achieve a peaceful settlement of outstanding questions;

8. Requests the Secretary-General to provide the necessary staff and facilities for carrying out the terms of the present resolution. Text ends.

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196. DEA/50134-40

Le chef de la délégation à l'Assemblée générale des Nations unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

TELEGRAM 289 Paris, January 4, 1952

CONFIDENTIAL

PALESTINE CONCILIATION COMMISSION

Reference: My telegram No. 241 of December 19th, 1951.

1. At a meeting of Commonwealth representatives at headquarters of the United Kingdom delegation this morning Coulson[6] distributed a redraft of the proposed resolution on the Palestine Conciliation Commission. Four points are worthy of note in the new draft.

(a) In the preamble an additional paragraph has been added in the following terms:

"Considering that the governments concerned have the primary responsibility for reaching a settlement of their outstanding differences. . ."

(b) Paragraph 5 has been re-written to read as follows:

"Authorizes the Conciliation Commission for Palestine in its discretion to designate a representative or representatives to assist it in carrying out its functions."

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[6] J.E. Coulson, ministre plénipotentiaire, délégation permanente du Royaume-Uni auprès des Nations unies ; représentant suppléant à la sixième session de l'Assemblée générale.
J.E. Coulson, Minister Plenipotentiary, Permanent Delegation of United Kingdom to the United Nations; Alternate Representative of the Sixth Session of the General Assembly.

(c) Paragraph 6 is revised so as to read:

"Decides that the headquarters of the Conciliation Commission for Palestine should be transferred to the headquarters of the United Nations, a representative of the commission being maintained at Jerusalem."

(d) Finally the Conciliation Commission is asked to render progress reports "periodically to the Secretary General for transmission to the members of the United Nations" instead of reporting to the 7th regular session of the General Assembly, as the former draft proposed.

2. Coulson informed us that although there was general support for this resolution it had been difficult to find sponsors for it among countries not directly concerned with the Palestine problem. It would therefore be sponsored jointly by the United States, United Kingdom, France and Turkey. Sharett (Israel)[7] had criticized the draft only mildly and was prepared to go along with it. The Arabs would not object.

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197. DEA/50134-40

Le secrétaire d'État aux Affaires extérieures
au chef de la délégation à l'Assemblée générale des Nations unies

Secretary of State for External Affairs
to Chairman, Delegation to the General Assembly of the United Nations

TELEGRAM 197 Ottawa, January 7, 1952

CONFIDENTIAL. IMPORTANT.

PALESTINE CONCILIATION COMMISSION

Reference: Your telegrams No. 281, January 3,† and No. 289, January 4.

We have now had an opportunity to examine the Conciliation Commission's Report and to read its conclusions in conjunction with the draft United States Resolution contained in your telegram No. 241 of December 19 and with the points in the redraft contained in your telegram No. 289 of January 4. Until the draft text of the Resolution has been made available to the French and Turkish Delegations and their reactions obtained to its principal recommendation — the move to New York — the fate of the Resolution as a whole must remain uncertain. In other respects it should, however, prove acceptable to them as it seems to reflect the principal conclusions of the Commission's Report, albeit in less forthright language.

2. The one exception is the failure of the original United States draft to refer specifically to the refugee problem or to the functions of the Refugee Office established by the Commission last year. As we have always considered a settlement of the refugee problem as an essential first step towards a wider

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[7] Moshe Sharett, ministre des Affaires étrangères d'Israël, chef de la délégation à la sixième session de l'Assemblée générale.
Moshe Sharett, Minister for Foreign Affairs of Israel; Chairman of the Delegation to the Sixth Session of the General Assembly.

peace settlement, we suggest, unless you have strong views to the contrary, that you support the inclusion of an amendment to paragraph 4 such as that suggested by the United Kingdom or even one reaffirming more vigorously the continued existence and important responsibilities of its Refugee Office. With reference to UNRWAPR, see my immediately following telegram No. 198.†

3. As regards the draft paragraph 5, we agree with the United Kingdom view that the Commission already has the necessary authority to appoint an individual mediator when circumstances seem to warrant such action, but can see no harm in reaffirming the power to make use of a method of conciliation which has proven valuable in the past.

4. We are unable with the information now at our disposal to see the utility of "a representative of the Commission being maintained at Jerusalem" as suggested in the revised version of paragraph 6 but would like to have your views.

5. Otherwise, subject to your own views, we would have no objection to your co-sponsoring a resolution along the lines of the U.S. draft if you are asked to do so by the United Kingdom and the United States (preferably with the amendments referred to in paragraphs 2 and 3 above), especially as it now appears that Israel and the Arab States are willing to go along with the proposal and that there is general support for the resolution amongst other delegations. With reference to the changes noted in your telegram No. 289 of January 4, although as you know we have never been enthusiastic about including a provision along the lines of Item (a) in the Preamble we would seriously question only (c). This, however, we will leave to your discretion.

198. DEA/50134-40

Le chef de la délégation à l'Assemblée générale des Nations unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

TELEGRAM 371 Paris, January 12, 1952

CONFIDENTIAL

PALESTINE CONCILIATION COMMISSION

Reference: Your telegram No. 197 of January 7.

1. As you know the question of sponsorship of the draft resolution on the Palestine Conciliation Commission was settled before we received your telegram under reference, which authorized us to include Canada's name among the sponsors. France, Turkey, United Kingdom and United States sponsored.

2. It seemed to us in following the course of the debate that a good part of the controversy centered around non-essential features of the four-power draft resolution. In view of your willingness to have Canada associated with the effort to secure acceptance of the draft resolution, we discussed the developing

situation with the United States and United Kingdom delegations and found that they agree with us that a few amendments to their draft resolution would probably make it much more acceptable to the ad hoc Political Committee. Since they were not in a position to offer to the committee themselves the rephrasing of their own draft, we undertook to suggest the necessary changes during the course of our own statement which was scheduled for the following day, January 11. The text of the amendment proposed will be found in my next succeeding telegram. My own covering statement has gone forward to you by bag.[7]

3. What seemed to all of us to be chiefly needed was to simplify the preamble and to delete certain phrases in the operative part of the draft resolution to which either Arabs or Israelis particularly objected. Operative paragraphs 3 and 4 of the amended draft, read together, provide the basis for future efforts to reach a settlement and make it possible to drop the very contentious first paragraph of the operative part of the four-power draft resolution. We thought, furthermore, that the proposed simplification of the draft would bring into stronger relief its two chief purposes, namely that of meeting the continuing need for conciliation on the basis of Assembly resolutions and that of securing the transfer of the headquarters of the commission to New York. Since the Conciliation Commission has always enjoyed authority to appoint subsidiary bodies or to employ technical experts, we proposed that paragraph 5 of the four-power draft should be dropped. In view of differences of opinion among the four powers about retaining a representative of the commission in Jerusalem, regarding which you had expressed misgivings, we offered a formula, now thought preferable by the four powers, which advocated the transfer of the commission's headquarters to New York "without prejudice to the maintenance of a representative in Jerusalem." The commission would in any case have the right to appoint a representative in Jerusalem if it so wished, but special reference is made to this possibility in the draft resolution because otherwise it might be difficult to get from the governments which control Jerusalem permission for the re-entry of a representative of the commission once the commission itself had left.

4. In the original draft resolution there was a reference to paragraph 86 of the Conciliation Commission's report, which deals with detailed proposals rejected by the parties during their Paris discussions last October. It would make the draft resolution more acceptable to both parties to have the reference to paragraph 86 deleted. It seemed to us that the resolution as a whole would be strengthened if a reference were made instead in this paragraph to past resolutions of the General Assembly on the basis of which the commission is to operate.

5. In view of our instructions we also prepared an amendment specifying that the Conciliation Commission's Refugee Office should be kept in operation. At the last moment, however, we dropped it in view of objections raised by the four powers. Coulson (United Kingdom) had already assured the ad hoc Political Committee that there was no question of closing the Refugee Office. It will be kept in operation as part of the Conciliation Commission's normal

work. Jessup told us that if a reference to the Refugee Office were included in the draft resolution it would give rise to demands that all other aspects of the Conciliation Commission's work should also be specified. This in turn would lead to bitter debate and might prejudice the chances of adoption of the draft resolution.

6. Just before I spoke, Bokhari (Pakistan)[8] submitted a revised draft resolution which was worked out, I understand, in conference between representatives of Arab states and Pakistan. The text goes to you today in a separate telegram. The Pakistan draft resolution spells out the functions of the commission, particularly in relation to the settlement of the refugee problem. It instructs the commission to "implement" General Assembly resolutions, empowers the Refugee Office to act as the custodian of refugee property and provides that the Conciliation Commission shall be composed of seven members whose headquarters would remain in Jerusalem.

7. Jessup spoke on behalf of the four powers in committee on January 12 announcing their acceptance of the Canadian amendments. He told us privately that Israel will not oppose the amended joint draft resolution when it comes to a vote. However, to make it clear to the committee that the draft resolution represents a compromise between the Arab-Pakistani point of view and that of Israel, Eban[9] circulated today an Israeli draft resolution for which he prepared the way in his first speech. It proposes the abolition of the Conciliation Commission and the appointment of a good offices committee for the calendar year 1952. He will withdraw this resolution before the vote.

8. The Arabs have told Jessup that they will accept the amended joint draft resolution if three further amendments are incorporated in it:

(a) In operative paragraph 3 after "considers that," they would insert the words "in accordance with past resolutions of the General Assembly."

(b) In operative paragraph 4, after the word "continue", they would insert the words "its efforts to assist in the implementation of the previous resolutions of the General Assembly on Palestine and that the commission should continue ......". The words "in accordance with past resolutions of the General Assembly" which appear further down in paragraph 4 could then be deleted.

(c) The commission should be composed of five instead of three members.

9. The four powers will accept (a) and (b), but not, repeat not, (c). Hitherto all decisions of the commission have been unanimous. They think there is little likelihood of unanimous decisions in the future if representatives of Israel and the Arab bloc are added to the commission, as has been suggested, or even if close friends of Israel and the Arabs were appointed.

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[8] Professeur Ahmed S. Bokhari, représentant permanent du Pakistan auprès des Nations unies ; membre de la délégation à la sixième session de l'Assemblée générale.
Professor Ahmed S. Bokhari, Permanent Representative of Pakistan to the United Nations; Representative to the Sixth Session of the General Assembly.

[9] Abba Eban, représentant permanent d'Israël auprès des Nations unies ; chef de la délégation à la sixième session de l'Assemblée générale.
Abba Eban, Permanent Representative of Israel to the United Nations; Chairman, Delegation to the Sixth Session of the General Assembly.

10. We agree with the four powers that conciliation processes would be obstructed rather than expedited by the appointment of two interested states, and it seems to us that even the appointment of two neutral states would slow up its work appreciably, since this would involve the consulting of two additional governments at every stage. In view of the success of the Rhodes precedent,[10] the trend is likely to be towards reduction of the commission to a single mediator if developments in the Middle East should warrant the holding of anything in the nature of a conference to reach a final settlement.

11. The United Kingdom and United States delegations have been most appreciative of the help we have given toward securing majority support for the draft resolution, and Jessup when announcing acceptance of our amendments by the four sponsors made a number of kind references to the Canadian initiative.

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199. DEA/50134-40

Le chef de la délégation à l'Assemblée générale des Nations unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

TELEGRAM 372 Paris, January 12, 1952

RESTRICTED

PALESTINE CONCILIATION COMMISSION

Reference: My immediately preceding telegram.

Following is the text of amendments proposed by Canada in the Ad Hoc Political Committee on the morning of January 11th.

Preamble

1. Omit paragraphs 3, 4 and 5 of the preamble.

Operative portion

2. Omit paragraph 1.
3. Renumber paragraphs 2 and 3 as 1 and 2 respectively.
4. Add a new paragraph 3 to read as follows:

"Considers that the governments concerned have the primary responsibility for reaching a settlement of their outstanding differences;"

5. Amend paragraph 4:

(a) By deleting in the first line the phrase "in the light of paragraph 86 of the report," together with the commas setting off this phrase, and

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[10] Dispositions pour des négociations en vue d'aboutir à la paix sous la surveillance d'un seul médiateur des Nations unies.
An arrangement for negotiations towards a peace settlement under the supervision of a single United Nations mediator.

(b) By inserting the phrase "in accordance with past resolutions of the General Assembly" (set off by commas before and after the phrase) immediately after the word "parties" in line 3 of the paragraph.

6. Omit paragraph 5.

7. Amend paragraph 6 to read:

"Decides that without prejudice to the maintenance of a representative in Jerusalem, the headquarters of the Conciliation Commission for Palestine should be transferred to the headquarters of the United Nations:"

The draft resolution as amended would then read as follows:

"THE GENERAL ASSEMBLY,

"RECALLING its resolutions 194 (III) of 11 December 1948 and 394 (V) of 14 December 1950,

"HAVING EXAMINED the progress report of the United Nations Conciliation Commission for Palestine (A/1985),

"1. EXPRESSES its appreciation to the Conciliation Commission for Palestine for its efforts to assist the parties to reach agreement on their outstanding differences;

"2. NOTES with regret that, as stated in paragraph 87 of the report, the commission has been unable to fulfil its mandate;

"3. CONSIDERS that the governments concerned have the primary responsibility for reaching a settlement of their outstanding differences;

"4. CONSIDERS nevertheless that the Conciliation Commission for Palestine should continue to be available to the parties, in accordance with past resolutions of the General Assembly, to assist them in reaching agreement on outstanding questions;

"5. DECIDES that without prejudice to the maintenance of a representative in Jerusalem, the headquarters of the Conciliation Commission for Palestine should be transferred to the headquarters of the United Nations;

"6. REQUESTS the Conciliation Commisssion for Palestine to render progress reports periodically to the Secretary-General for transmission to the members of the United Nations;

"7. REQUESTS the Secretary-General to provide the necessary staff and facilities for carrying out the terms of the present resolution."

200. DEA/50134-40

Le chef de la délégation à l'Assemblée générale des Nations unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

TELEGRAM 384 Paris, January 15, 1952

CONFIDENTIAL

PALESTINE CONCILIATION COMMISSION

Reference: Our telegram No. 371 of 12 January, 1952.

1. When the Ad Hoc Political Committee adjourned for the week-end on 12th January it seemed likely that, with a few further amendments, the Arabs and their friends would support the 4-power draft resolution on the Palestine Conciliation Commission as amended by Canada and that Israel might abstain, though the Soviet bloc would oppose the amended draft resolution. In fulfilment of our expectations Afghanistan tabled two amendments early on Monday, 14th January, which represented, we thought, the minimum Arab demands for the further revision of the draft resolution. These were acceptable both to ourselves and to the four powers. They involved only the inclusion of two additional references to past resolutions of the General Assembly and a suggestion that the Conciliation Commission should "continue its efforts to secure the implementation of these resolutions."

2. Over the weekend, however, the Arabs and their friends seem to have made up their minds that if they exerted themselves once more they might be able to carry the committee still further. On Monday morning, accordingly, Colombia brought in a series of three revised amendments the purpose of which was

(a) To recall "all" previous Assembly resolutions on Palestine (we have been invoking only those resolutions which relate to the Conciliation Commission's work);

(b) To call on the governments to observe the Assembly resolutions "strictly" (no matter how out of date they may be) and to seek agreement for sett[l]ing their differences "in a spirit of justice", (which the parties interpret each in their own way);

(c) To ask the Conciliation Commission "to ensure the strict observance" of the Assembly's resolutions (i.e., giving it a degree of executive authority not hitherto contemplated).

3. The Philippines also came forward on the 15th with an amendment in line with Arabs wishes, expressing special regret that the refugees have not been repatriated or compensated for their properties. Indonesia and Iran revived Pakistan's proposal of January 11 that the headquarters of the commission should be kept in Jerusalem and asked that its membership be increased to seven.

4. The rapid introduction of these amendments just before the voting affected the atmosphere in the committee. It is true that the proposal to keep the commission's headquarters in Jerusalem was defeated (17-25-12, with Canada voting against), but the proposal to shift the headquarters to New York was also defeated on a tie vote (22-22-8, with Canada voting in favour). The chairman interpreted this to mean that the commission may continue its work in any place except Jerusalem or New York. (The Arabs had argued, however, that since the resolution made no reference to the location of the headquarters the commission could do as it pleased.)

5. The proposal to increase the membership of the commission to seven, although some of the Arabs and their friends themselves thought five would be enough, was carried by 24 to 22 with 11 abstentions, Canada voting against the proposal.

6. Colombia succeeded in having "all" resolutions of the Assembly invoked, despite the fact that some are out of date. It also succeeded in having the paragraph inserted which calls on the governments to observe these resolutions "strictly". The committee rejected, however, the third Colombian amendment, which called on the Conciliation Commission itself to ensure the strict observance of the resolutions.

7. The expression of special regret that the refugees have not yet been repatriated or compensated, suggested by the Philippines, was adopted by 28-13-16, Canada abstaining. Our abstention was based on two considerations. On the one hand our instructions have emphasized Canada's anxiety to have the refugee problem liquidated as soon as possible and to secure compensation of refugees for abandoned property. On the other hand, however, we do not believe large-scale repatriation is likely to be feasible. The authors of the joint draft resolution, moreover, have been trying to avoid spelling out any single function of the commission, since they do not think it wise to lay more emphasis on one part of the peace settlement than another.

8. The draft resolution as a whole as amended was adopted by 43-13 with 2 abstentions (Sweden and Turkey). Those voting against the draft resolution as a whole included the United States, the United Kingdom and France, the Soviet bloc, Israel and Uruguay. Supporters of the resolution included at least six European states, the great majority of the Latin American Republics and the Arab, Asian and African blocs. With a new adviser having to occupy the chair because of the absence of the usual member of the delegation on other business, and in the very confused situation prevailing, Canada supported the draft resolution as a whole as amended, in an unrecorded vote, but will vote against the draft resolution as amended in the plenary session.

9. The last-minute intervention of Colombia, the Philippines, Iran and Indonesia has had the effect of making it impossible for Israel to abstain, as we had hoped it would. Israel has reserved the right to bring forward in the plenary session again its proposal for a good offices committee.

10. The general effect of the revised draft resolution is to create an unwieldy group instructed to relate its work to a heterogeneous collection of Assembly

resolutions some of which are mutually contradictory and some of which it is quite impossible to carry out. We suppose the commission will choose Geneva as its headquarters and would have no objection to this, but we do not believe the revised resolution will lead to an improvement of the situation unless the four states added to the commission are truly disinterested and the men chosen to represent them are unusually able. If we are approached with a request to allow Canada's name to be proposed for membership on the commission should we refuse, and if so on what grounds?

201. DEA/50134-40

Le chef de la délégation à l'Assemblée générale des Nations unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

TELEGRAM 385 Paris, January 15, 1952

RESTRICTED

PALESTINE CONCILIATION COMMISSION

Reference: My immediately preceding telegram.

Following is the text of the resolution on the Palestine Conciliation Commission adopted by the ad hoc Political Committee on 15 January 1952.

THE GENERAL ASSEMBLY,

RECALLING all the resolutions adopted by previous sessions of the General Assembly on the Palestine problem,

HAVING EXAMINED the progress report of the United Nations Conciliation Commission for Palestine (A/1985),

1. EXPRESSES its appreciation to the Conciliation Commission for Palestine for its efforts to assist the parties to reach agreement on their outstanding differences;

2. NOTES with regret that, as stated in paragraph 87 of the report, the commission has been unable to fulfil its mandate and that the above-mentioned resolutions have not yet been implemented, in particular with regard to the repatriation of refugees wishing to return to their homes and also with regard to the just and equitable evaluation of and compensation for the properties of those not wishing to return;

3. CONSIDERS that the governments concerned have the primary responsibility for reaching a settlement of their outstanding differences in conformity with the resolutions of the General Assembly on Palestine;

4. URGES the governments concerned strictly to observe the resolutions of the General Assembly and to seek agreement with a view to an early settlement of their outstanding differences in a spirit of justice: and for this purpose to make full use of United Nations facilities;

5. CONSIDERS that the Conciliation Commission for Palestine should continue its efforts to secure the implementation of the resolutions of the General Assembly on Palestine, and accordingly to be available to the parties to assist them in reaching agreement on outstanding questions;

6. DECIDES that the Conciliation Commission shall consist of 7 members; the four additional members shall be designated by the General Assembly before the end of the present session;

7. REQUESTS the Conciliation Commission for Palestine to render progress reports periodically to the Secretary-General for transmission to the members of the United Nations;

8. REQUESTS the Secretary-General to provide the necessary staff and facilities for carrying out the terms of the present resolution.

202. DEA/5475-DW-14-40

Extrait du télégramme du chef de la délégation
à l'Assemblée générale des Nations unies
au secrétaire d'État aux Affaires extérieures

Extract from Telegram from Chairman,
Delegation to the General Assembly of the United Nations,
to Secretary of State for External Affairs

TELEGRAM 421 Paris, January 21, 1952

CONFIDENTIAL

ASSISTANCE TO PALESTINE REFUGEES

Reference: Our telegram No. 416 of January 19.†

. . .

6. Some of the features of the Palestine Conciliation Commission resolution are not likely to be acceptable to a two-thirds majority of the Assembly. It seems to us that this gives us a reason for suggesting privately to the sponsors of the original Palestine Conciliation Commission draft resolution and to the Arab states that in the plenary meeting certain amendments might be offered to operative paragraphs 2 and 4 of the Palestine Conciliation Commission resolution in order to bring them into closer harmony with the language of the draft resolution on assistance to Palestine refugees. We have in mind also a possible compromise on operative paragraph 6 of the Palestine Conciliation Commission resolution, so as to provide for a commission of 5 instead of 7 members. It seems to us that the paragraphs in question could be so revised as to command general support and to avoid creating a situation which would force Arab delegates to recede from the cooperative attitude they have taken in recent discussions with the four powers.

7. Unless the situation should change we are not proposing to intervene in the debate, since it would serve no purpose except to explain our reserved position, and this can be done effectively and briefly on explanation of vote.

203. DEA/50134-40

Le secrétaire d'État aux Affaires extérieures
au chef de la délégation à l'Assemblée générale des Nations unies

Secretary of State for External Affairs
to Chairman, Delegation to the General Assembly of the United Nations

TELEGRAM 251 Ottawa, January 22, 1952

CONFIDENTIAL. IMPORTANT.

PALESTINE CONCILIATION COMMISSION

Reference: Your telegram No. 384 of January 15.

We are not entirely happy about the suggestion contained in your paragraph 8 that when the Resolution adopted in the Ad Hoc Political Committee on January 14 comes up in plenary session, the Canadian Delegation will reverse its stand and vote against. Instead, we consider that the Delegation should concentrate on inserting in the Resolution as it now stands, the minimum number of amendments which would make it acceptable to the original sponsoring powers and sufficiently palatable to ourselves and Israel to permit of abstention or an affirmative vote.

2. In view of the slim majority by which the more contentious paragraphs of the final draft were approved, there is every likelihood that they will not achieve the two-thirds majority required in plenary session. The present draft will therefore almost certainly undergo some amendment before its final adoption. We consider that the objective outlined in paragraph 1 above might be achieved if the following changes could be made in the present draft:

Operative Portion

Paragraph 2: Delete and substitute: "Notes with regret that the Commission has been unable to fulfil its mandate for the reasons set forth in paragraphs 84 and 85 of the Commission's Report."

Paragraph 4. Delete word "strictly".

Paragraph 5: Delete and substitute: "Considers that the Conciliation Commission for Palestine should continue its efforts to secure the implementation of Resolutions of the General Assembly relating to its work and to continue to be available to the parties to assist them in reaching agreement on outstanding questions."

Paragraph 6: Delete and substitute: "Decides that the Conciliation Commission shall consist of five members, the two additional members to be designated by the General Assembly before the end of the present Session." Had the vote in the Ad Hoc Political Committee not been taken sooner than expected, you would have received instructions from us to support the increase in the size of the Commission from three to five members, a change which seemed to us to be a harmless concession if it would suffice to win Arab support for the Resolution as it then stood. The Arabs might now be prepared to accept the compromise figure of five members and the original four sponsoring powers and Israel might also be persuaded to accept this change if the move to New York could be reinserted in a new draft.

Paragraph 7: Insert new paragraph reiterating the Canadian formula which was rejected in a tie vote in the Ad Hoc Political Committee concerning the transfer of the headquarters to New York. (This amendment is optional in the view of the Department, as we have never attached any great importance to the proposal. The Delegation should be guided on this point by the attitude of the original four sponsoring powers.)

3. The remaining paragraphs in the Resolution as adopted in Committee could remain unchanged.

4. If you should be asked about Canadian participation in an expanded Commission you should decline without explanation.

204. DEA/50134-40

Le chef de la délégation à l'Assemblée générale des Nations unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

TELEGRAM 442 Paris, January 24, 1952

CONFIDENTIAL. IMPORTANT

PALESTINE CONCILIATION COMMISSION

Reference: Your telegram No. 251 of January 15th [22nd].

1. The plenary meeting to discuss questions relating to Palestine is scheduled for January 26th.

2. We have been exploring for three days with the United States and United Kingdom delegations the possibility of securing agreed amendments to the resolution concerning the Palestine Conciliation Commission, in accordance with paragraph 6 of our telegram No. 421 of January 21st. We were glad to learn last evening from your telegram under reference that this is the approach the Department itself desires.

3. What we had done before receiving your telegram was to suggest informally that the following line of argument might be pursued:

(a) For purposes of orderly discussion, agenda item 24 was arbitrarily divided into two parts, although it was generally recognized that the question of a peace settlement and the question of the refugees are closely related.

(b) The committee adopted a resolution on the Conciliation Commission before its resolution on refugees was drafted. The latter resolution was the result of consultations between the four sponsoring powers and the Arab states and was satisfactory to both groups.

(c) It would be logical now to look back at the first resolution with a view to securing a similarly broad basis of support for it and ensuring that its language is not out of harmony with the language of the second resolution.

(d) Operative paragraph 2 of the first resolution might be amended as follows, so as to make it correspond more closely with operative paragraph 2 of the refugee resolution, to which the sponsors and the Arabs have agreed: "Notes with regret that, as stated in paragraph 87 of the report, the commission has been unable to fulfil its mandate, as set forth in resolutions 194 (III) of 11 December 1948 and 394 (V) of 14 December 1950."

(e) The following language might be used for paragraph 4: "Urges the governments concerned to seek agreement with a view to an early settlement of their outstanding differences in a spirit of justice and pursuance of resolutions adopted by the United Nations General Assembly, and for this purpose to make full use of United Nations facilities."

(f) We suggested a commission of five instead of seven members, but said nothing about where the headquarters of the commission should be located.

4. In the light of your instructions we have passed on to both delegations this morning the additional amendment suggested for paragraph 5 of the resolution.

5. The State Department does not want the commission expanded if Pakistan is to be a candidate. It is not sure that even the friendliest attempt to secure Arab acquiescence to a series of amendments before the plenary meeting will be successful. The sponsors will discuss strategy this afternoon, however, and may base their talks on our suggested amendments, which they consider useful. We will keep you informed of later developments.

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205. DEA/50134-40

Le secrétaire d'État aux Affaires extérieures
au chef de la délégation à l'Assemblée générale des Nations unies

Secretary of State for External Affairs
to Chairman, Delegation to the General Assembly of the United Nations

TELEGRAM 262 Ottawa, January 25, 1952

SECRET. MOST IMMEDIATE.

PALESTINE CONCILIATION COMMISSION
MACDONNELL'S TELEPHONE CALL

Following from Under-Secretary.

1. We are unable, on the basis of telephone conversations, to judge the situation fully from here.[11] We are content to leave to you the decision on whether you should move the amendments to the resolution and we will back up your decision.

2. Our primary interest, however, is to compose differences and to get a resolution supported by the Arabs, by Israel and by the sponsoring powers. You should try up to the last to get agreement between these three groups on the first sentence of the preamble which we understand is the stumbling block

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[11] Voir le document 210./See Document 210.

to Israeli support. Failing agreement, you should try up to the last moment to get some other country or group of countries to sponsor the amendments.

3. We trust that Israel, even if not satisfied on the preamble, will abstain on the resolution as a whole. If there is danger of Israel voting against the resolution, you should use your best efforts in cooperation with other responsible powers to persuade Israel to abstain.[12]

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206. DEA/50134-40

Le chef de la délégation à l'Assemblée générale des Nations unies
au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations,
to Secretary of State for External Affairs

TELEGRAM 459 Paris, January 26, 1952

CONFIDENTIAL. IMPORTANT.
Reference: Your telegram No. 262 of January 25.

1. We are deeply grateful for your willingness to back up our decision on this complicated controversy, and appreciate to the full the difficult problem we had to put to you in a last minute telephone call.

2. For our part we made every effort to carry out your final instructions:

(a) We failed at first to get agreement among the three groups on the first sentence of the preamble;

(b) It proved absolutely impossible to find another sponsor.

3. We therefore put in our amendments and concentrated on persuading Israel not merely to abstain but to agree. This effort was successful.

4. After we introduced our amendments the sponsors, the Arabs, and Israel paid tribute to what they were pleased to call our constructive efforts. Everyone else with five Cominform exceptions seemed pleased. A paragraph by paragraph vote was avoided and the amended resolution passed with 48 in favour (including Canada, Israel, and all the Arabs except Iraq) to 5 against (Soviet bloc) and one abstention (Iraq).

5. This is the kind of majority we were working for. It was obtained by very hard work on short notice by a great number of delegations. Everyone was so gratified by the outcome of the vote that they took our forthright lecture reserving our financial position on assistance to Palestine refugees with a surprising absence of protest.

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[12] Notre exemplaire du document porte l'ajout suivant :
The following was written on this copy of the document:
This telegram was delivered to the Embassy in Paris at 4:55 a.m., Paris time Jan. 26th, COMMUNICATIONS SECTION.
(and to the Hotel Raphael at 6 a.m. E.P. MacCallum)

207. DEA/50134-40

Le représentant suppléant de la délégation
à l'Assemblée générale des Nations unies
au sous-secrétaire d'État suppléant aux Affaires extérieures

Alternate Representative,
Delegation to the General Assembly of the United Nations,
to Deputy Under-Secretary of State for External Affairs

PERSONAL AND CONFIDENTIAL Paris, January 29, 1952

Dear Escott,

In a sense I want to apologize for the sudden telephone call on Palestine which must have startled you a little. We realized to the full that we were presenting you on a moment's notice with a problem the nature of which could not be fully explained in a telephone conversation. Had it not been for the Minister's final injunctions to Mr. Lesage to be particularly careful to consult Ottawa before doing anything on Palestine, we probably would have taken the decision in the delegation. However, we felt that we had to be sure of the Government's support and we picked you as the senior person most likely to be familiar with the general problem. I am sorry that we had to throw it at you on such short notice and so incompletely. It is always difficult to know how far a delegation should use its own judgment in a last-minute crisis. In this case, however, we felt that because the decision was essentially political our hands were tied.

As the result of fast-moving developments, we were faced at the last minute with the following situation:

a) The Arabs had secured a last-minute victory in the vote in the Ad Hoc Committee on four paragraphs of the draft resolution on the Palestine Conciliation Commission which the Western powers did not like and to which Israel was bitterly opposed;

b) If the Arabs failed to get the two-thirds majority for which they were working, we should have no decision to continue the attempt to conciliate the Palestine dispute. This would represent a defeat for Canadian policy, which is directed toward securing a peace settlement within the framework of the United Nations;

c) Israel was working hard to secure a vote which would knock out the four objectionable paragraphs, and would not have been unhappy if the whole resolution was lost, since they would have been in a position to revive their proposal for a Good Offices Committee with much more limited terms of reference than the Conciliation Commission;

d) During the day on which we telephoned you, Jessup had won over the Arabs to accept concessions on the three operative paragraphs to which Israel objected if the sponsors would agree to let them keep a recital in the preamble;

e) The sponsors were very anxious to take advantage of the Arab concession, since they felt an Arab defeat on a straight vote on the resolution as adopted in

Committee would have disturbed the atmosphere in the Near East seriously, and would almost certainly have prejudiced the whole programme for Palestine refugees;

f) Both Israel and the sponsors were confident of our good will and disinterested approach and it seemed that no other delegation could put in the necessary amendments with any hope of having them passed.

We were convinced, moreover, that even if Israel failed to get their way in regard to one paragraph of the preamble, or in regard to strategy in dealing with the resolution, their objections would be of a minor and ephemeral nature and would not affect their long-term policy. We were seriously worried that a defeat for the Arabs would have lasting and harmful effects.

We were all very much encouraged to get the Department's reply so promptly promising to back up our judgment. As things turned we were even more right than we had imagined about the mildness of Israel's objections. When your telegram arrived in the early morning of January 26, everyone concentrated their efforts on Eban. Among others, Jessup and I urged him to make a real contribution to improving the atmosphere in the Near East and after some hesitation he decided to go along. Therefore, we have helped to ward off a situation that might have been very unfortunate.

I do not give much weight to the utterances of Choukayri[13] of Syria — who is at least two-fifths ham — but it is of some interest to note that in speaking for the Arabs, he described the Canadian representative as a man of dignity, sober mind, and sound judgment, who considered it his duty to fill many gaps and many loop-holes, and who performed his task "diligently and with devotion". "His task is a task of conciliation, of bridging difficulties, and we express our gratitude and appreciation to the distinguished representative of Canada." The friendliness of his tone was something we hadn't expected, since we had spoilt three of their favourite paragraphs.

What I think should please us particularly, and the Minister would probably like to know of it, is Eban's statement that "the work undertaken by the Canadian delegation in this field is in full conformity with the positive and constructive role which that government has played in all developments in United Nations treatment of the Palestine question."

All this will be recorded in detail in our final report, but I thought I should send you a personal note of explanation. This question of urgent consultation between the delegation and the Department is something that should be discussed when the post-mortem is held.[14]

Yours sincerely,

[R.M. MACDONNELL]

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[13] Ahmed Shukairi, secrétaire général adjoint de la Ligue des États arabes, membre de la délégation de la Syrie à la sixième session de l'Assemblée générale.
Ahmed Shukairi, Assistant Secretary-General, League of Arab States; Representative, Delegation of Syria, to the Sixth Session of the General Assembly.

[14] Note marginale :/Marginal note:
I have sent Mr. Macdonnell a personal reply. E. R[eid] Feb. 14/52.

208. DEA/50134-40

Le secrétaire d'État aux Affaires extérieures
au chef de la délégation à l'Assemblée générale des Nations unies

Secretary of State for External Affairs,
to Chairman, Delegation to the General Assembly of the United Nations

TELEGRAM 268 Ottawa, January 30, 1952

CONFIDENTIAL

PALESTINE CONCILIATION COMMISSION

Following from Pearson, Begins: I am extremely gratified at the outcome of the Palestine Conciliation Commission issue. The Delegation is to be congratulated on the energetic and useful contribution which it made towards the framing of a Resolution commanding the widest possible support.

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209. DEA/50134

Le chef de la délégation à l'Assemblée générale des Nations unies
au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations,
to Secretary of State for External Affairs

TELEGRAM 497 Paris, February 1, 1952

RESTRICTED. IMPORTANT.

PALESTINE CONCILIATION COMMISSION

Reference: Your telegram No. 270 of January 31st.†

1. Following is complete text of resolution on Palestine Conciliation Commission adopted January 26th in plenary session of General Assembly:

THE GENERAL ASSEMBLY,

RECALLING all the resolutions adopted at previous sessions of the General Assembly on the Palestine problem,

HAVING EXAMINED the progress report of the United Nations Conciliation Commission for Palestine,

1. EXPRESSES its appreciation to the Conciliation Commission for Palestine for its efforts to assist the parties to reach agreement on their outstanding differences;

2. NOTES with regret that, as stated in Paragraph 87 of the report, the Commission has been unable to fulfil its mandate under the resolutions of the General Assembly;

3. CONSIDERS that the Governments concerned have the primary responsibility for reaching a settlement of their outstanding differences in conformity with the resolutions of the General Assembly on Palestine;

4. URGES the governments concerned to seek agreement with a view to an early settlement of their outstanding differences in conformity with the resolutions of the General Assembly on Palestine; and for this purpose to make full use of United Nations facilities;

5. CONSIDERS that the Conciliation Commission for Palestine should continue its efforts to secure the implementation of the resolutions of the General Assembly on Palestine and accordingly should be available to the parties to assist them in reaching agreement on outstanding questions;

6. REQUESTS the Conciliation Commission for Palestine to render progress reports periodically to the Secretary-General for transmission to the members of the United Nations;

7. REQUESTS the Secretary-General to provide the necessary staff and facilities for carrying out the terms of the present resolution.

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210. DEA/50134-40

Enregistrement de la conversation téléphonique entre des membres de la délégation à l'Assemblée générale des Nations unies et le sous-secrétaire d'État suppléant aux Affaires extérieures, à Ottawa, le 25 janvier 1952

Record of telephone conversation held on January 25, 1952 between Members of Delegation to the General Assembly of the United Nations and Deputy Under-Secretary of State for External Affairs

CONFIDENTIAL Paris, February 4, 1952

Miss MacCallum opened the conversation by saying that the Delegation wished to be sure that it had the Department's approval of what it had been doing in carrying out its instructions with regard to the Palestine question. The Delegation had been asked to concentrate on getting the resolution on the Palestine Conciliation Commission amended so as to make it acceptable to the sponsoring powers and sufficiently palatable to Canada and Israel to permit of an affirmative vote or an abstention.

2. Negotiations with the four sponsors of the resolution had borne results and there were now two amendments which the Canadian Delegation would put forward if the Department agreed. Their purpose was to tone down two of the four most controversial paragraphs so as to enable the parties either to vote in favour of these paragraphs or to abstain. If the amendments were put in by Canada the sponsors had made an arrangement with the Arabs which would look after the two other controversial paragraphs. The sponsors would abstain on the first recital of the preamble recalling "all" previous resolutions of the General Assembly on Palestine, to which Israel was very much opposed, while the Arabs would respond by abstaining on operative paragraph 6, which would have enabled them to appoint a Muslim state to an expanded Conciliation Commission. The sponsors opposed the expansion of the Commission and an Arab abstention would ensure that this paragraph would be dropped.

3. The resulting resolution, minus paragraph 6, with two paragraphs amended and the first recital of the preamble retained, would probably command well over a two-thirds majority of the Assembly. There was still the difficulty that although Israel would be glad to have paragraph 6 eliminated, and although it would abstain on the two paragraphs as amended by Canada, it had not yet agreed to abstain on the first recital of the paragraph, and its objection to the reference to "all" previous United Nations resolutions on Palestine meant that all the conditions mentioned in the Department's instructions to the Canadian Delegation had not been met. The arrangements just described had been worked out, however, in a series of long conferences between the sponsors and the Arabs on the basis of four proposed amendments given to the sponsors by the Canadian Delegation, and the arrangement seemed to offer the best means of obtaining a two-thirds majority in the Assembly.

4. Israel was disappointed that amendments were being brought in in an effort to save the resolution. It would have preferred to have the objectionable paragraphs fail for lack of a two-thirds majority. It felt particularly strongly on paragraph 1 of the preamble and was unhappy because the sponsoring powers had decided not to vote against it. The sponsoring powers, however, had given very careful consideration to their position. The Arabs were yielding on three issues in the operative part of the resolution and it therefore seemed worth while to make a concession to them by retaining the reference to "all previous resolutions of the General Assembly on Palestine" in a recital in the preamble.

5. Mr. Reid said the Minister was away from Ottawa and could not be consulted. The complex nature of the arrangements described by Miss MacCallum made him feel that it would be impossible for him to give a definite and immediate opinion, since he had not seen the text of the proposed Canadian amendments or studied them in relation to the draft resolution as a whole.

6. Mr. Macdonnell then explained that the Delegation wanted to take a lead which would preserve a great deal of the work done by the Committee both on the Palestine Conciliation Commission and on Palestine refugees. The Arabs felt there was a close connection between the question of refugees and the question of a final political settlement, and if the plan for handling the resolution on the Conciliation Commission fell through, the danger was that the Arabs, having suffered what they would regard as a very serious defeat, would not be able to co-operate fully when it came to carrying out the suggestions of the Relief and Works Agency and that the work of cleaning up the refugee situation would be impeded. They had offered to make very considerable concessions with regard to the P.C.C. resolution. Israel's interests were not being damaged and their momentary dislike for the recital in the preamble would probably not have lasting effects.

7. In answer to a question from Mr. Reid, Mr. Macdonnell said that the Delegation was not in any doubt on its voting positions. One thing that had caused Mr. Johnson some concern was whether it would be thought presumptuous by the Department if the Canadian Delegation took the lead in proposing

amendments which, when the whole thing was voted would leave Israel with a certain disappointment about the first paragraph of the preamble. Mr. Macdonnell said he wished to make it clear that, if the Canadian Delegation did not actually bring in the amendments proposed, or if somebody else did not, a great deal of the resolution would be knocked out and that an extremely messy situation would result which ought to be avoided at all costs.

8. Mr. Reid suggested that the sponsors should try to get another delegation to move the amendments. Mr. Macdonnell replied that at this late hour it would be quite impossible for the sponsors to get another neutral delegation to do this. The proposed amendments went a long way to meet Israel's objections but, because they did not go all the way, Israel was not happy about the plan. The sponsors had succeeded in getting the Arabs to back down considerably. The Conciliation Commission would not be increased in size. Israel was winning in substance and it seemed a pretty fair deal.

9. Mr. Reid did not feel that in Mr. Pearson's absence he should make a decision but undertook to get in touch with the Prime Minister and let the Delegation know either by telephone or most immediate telegram what the Prime Minister's wishes were. Mr. Macdonnell added that if there was a collapse the Canadian Delegation would be held responsible by those who knew about the negotiations.

SECTION B

AFRIQUE DU SUD-OUEST
SOUTH WEST AFRICA

211. DEA/5431-40

Le chef de la délégation à l'Assemblée générale des Nations unies, au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

TELEGRAM 271 Paris, December 27, 1951

SECRET. IMMEDIATE.

SOUTH WEST AFRICA

Addressed to External No. 271 repeated London No. 311.

Following from Johnson, Begins:

1. Jooste[15] of the South African Delegation called on me this morning to

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[15] G.P. Jooste, ambassadeur de l'Afrique du Sud auprès des Nations unies ; chef adjoint de la délégation de l'Afrique du Sud auprès des Nations unies.
G.P. Jooste, Ambassador of South Africa in United States; Vice-Chairman, Delegation of South Africa to the United Nations.

discuss South West Africa. He had received instructions from Dr. Donges,[16] who will not return to Paris until January 1st or 2nd, to have preliminary conversations on a bilateral basis with delegations of the Administering Powers and of certain other "responsible" countries.

2. Jooste began by saying that he could not tell us exactly what had been decided during Donges' consultations with the South African Cabinet. He emphasized, however, that the matter had reached a point where in his governments view "some positive stand was required" of South Africa. The Union Government was not for the time being concerned with the two substantive resolutions which had been recently adopted by the Fourth Committee. It intended, however, to bring before a plenary meeting of the Assembly the "constitutional issue" involved in the Fourth Committee's invitations to the Hereros and to the Rev. Michael Scott. Jooste was not sure of the most feasible means of bringing this constitutional issue before a plenary session. He hoped that the Assembly's debate on the Fourth Committee's substantive resolutions on South West Africa might provide the occasion. If not, South Africa might have to ask, through the General Committee, for a new item to be placed on the agenda. In any case, South Africa would find a way of confronting the General Assembly with a draft resolution challenging the legality of the Fourth Committee's decisions to grant hearings to the Hereros and Michael Scott. (The legal arguments adduced by South Africa with regard to the Hereros are contained in Dr. Donges' letter to the President of the Assembly, a copy of which was sent to you with my letter No. 67 of November 27th.)

3. In very forceful terms Jooste repeated what Donges had said in a Commonwealth meeting a month ago (see my telegram No. 104 of November 27th) to the effect that the unconstitutional behaviour of the Fourth Committee had grave implications not only for South Africa but for all the Administering Powers. No country, he said, could afford to tolerate such illegal interference in its affairs. South Africa hoped to be able to organize a "united front" of responsible members in support of its case.

4. During the conversation no direct reference was made to our votes on the various issues which arose during the debates on South West Africa. Jooste did, however, express his government's disappointment that some countries had supported the French on Morocco while withholding their support from South Africa on a matter involving "the same principle". He hoped that we would be prepared to take part in further conversations with the South African delegation both on a bilateral and on a more general basis; and he wished to know whether South Africa could count on Canadian support for the course which it intended to follow. In reply to a question Jooste said that he could not predict what his government's reaction would be to the rejection of its proposed

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[16] T.E. Donges, ministre de l'Intérieur de l'Afrique du Sud ; chef de la délégation de l'Afrique du Sud auprès des Nations unies.
Dr. T.E. Donges, Minister of Interior of South Africa; Chairman, Delegation of South Africa to the United Nations.

resolution. This would depend on how many delegations voted with South Africa and, more important, who they were.

5. I said that I would send you a report of the conversation but that until I heard from you I could not express even a personal view on what our attitude would be. It was left that I would seek instructions and speak to him again in a few days. I gathered that because of the Christmas recess he was having difficulty in approaching some of the delegations concerned. He had seen the French who were "very sympathetic" but as Jessup was out of town he had not yet spoken to the Americans.

6. In view of the importance which South Africa attaches to this question I should be most grateful to know as soon as possible what line we might take in our conversations with them and with other delegations.

7. Most delegations are maintaining only skeleton staffs during the recess. Hence it may be difficult to obtain the views of other delegations until January 2nd. We shall keep you informed of developments.

8. I asked Jooste if the South African High Commissioner in Ottawa would be making independent representations to you. He was not certain but did not think so since Roberts was not fully conversant with the question. Ends.

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212. DEA/5431-40

Le chef de la délégation à l'Assemblée générale des Nations unies, au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

TELEGRAM 272 Paris, December 29, 1951

SECRET. IMMEDIATE.

SOUTH WEST AFRICA

Reference: My telegram No. 271 of December 27 (No. 311 London).

Addressed External No. 272 repeated London No. 312.[17]

1. We have been giving some thought to the position the Canadian delegation might take on the issue shortly to be raised by South Africa in the General Assembly, namely the legality of the Fourth Committee's decision "to grant the request" of the Hereros Chiefs for a hearing before the Fourth Committee.

2. The South African approach raises the narrow issue of what to do about the invitation to the Hereros and the much broader issue of our solidarity, or lack of it, with administering powers and states in a similar position. Let us take the broader issue first.

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[17] Note marginale :/Marginal note:

It was decided not to refer this to Pretoria or CPD(UN) New York mainly I gather because we did not agree with these views. A telegram went to Delegation in Paris on Dec. 31.

3. In essence, the South Africans want us to support them and the administering powers through thick and thin wherever the problem of nationalist ambitions makes a troublesome appearance. Thus, they would oppose and would like us to oppose most moves by nationalists anywhere in the world, for example, against the French in Morocco or Tunisia or against the United Kingdom in other parts of Africa.

4. Clearly, such a negative approach has no appeal to Canadians. On the other hand, we must not go to the other extreme. Though we have sympathy for those who seek self-government, we also have a strong interest in preventing the development of trouble-spots that would endanger western defence. To take Morocco as an example, the Canadian position is not unlike that of the United States, except that we have no responsibilities in Morocco. There is in both the United States and Canada a good deal of sympathy for Nationalist aspirations. At the same time, it must be recognized that to satisfy those aspirations quickly, in the extreme form advanced by interested trouble-makers, would endanger installations that are of importance, and perhaps of vital importance, to the defence of the west — namely NATO airfields. The same situation may be repeated in Tunisia and Central Africa and elsewhere. South-West Africa is relatively unimportant at the moment, but it may set patterns of considerable significance.

5. In considering this whole range of questions, it seems evident that our interpretation of the Charter cannot take place in a vacuum. It must be related to the needs of the day, one of which is the avoidance of mischievious or irresponsible, or simply well-meaning but ill-conceived, attempts to banish all vestiges of "colonialism" before ascertaining whether anything better or as good (from the point of view of the inhabitants) is ready to take its place. For example, to take Moroccan nationalism at its face value and turn the country over to the vocal anti-French minority would do the inhabitants no service and would prejudice NATO efforts as far as airfields are concerned. At the same time, Canadians sympathize with the desire of nationalists everywhere to run their own show. There are no sharply defined blacks and whites in this picture, and both nationalist aspirations and the defence requirements of the western world must be borne in mind. We hope you will agree that in this broad field our attitude to specific problems is bound to represent a compromise between these two methods of approach.

6. Proceeding on this realistic, if inglorious, basis of compromise between the theoretically desirable and the practically important, where do we wind up in considering the South Africans and their grievance about the invitation to the Hereros?

7. In deciding to challenge the decision of the Fourth Committee on legal grounds South Africa may have simplified our problem — or they may have complicated it. If your legal advisers are satisfied that South Africa is right in its contention that the Fourth Committee exceeded its powers (and, in our view, South Africa has put forward some pretty convincing arguments), we might vote with South Africa in plenary and explain our previous abstention on

the ground that when the vote was taken in the Fourth Committee we had not had sufficient time to examine the legal position.

8. If, however, your legal advisers are of the opinion that the Fourth Committee did not exceed its powers, a more difficult decision faces us. In that event, we should presumably have to vote against South Africa in plenary. In explanation of our vote, we could say that, in our view, the Fourth Committee had power to grant the request of the chiefs to be heard. We could then add that more than a legal problem was involved. Though the action of the Fourth Committee was within its legal competence, it was, we think, of doubtful wisdom. Hence, we abstained when the vote was taken in the Fourth Committee.

9. It seems to us that South Africa's arguments that the resolution is illegal are impressive. Hence, we would hope that we might combine a vote for South Africa with an appeal (which might be made in public or private or both, depending on circumstances) for moderation and good sense all round. We could say that we have real doubts about who is entitled to appear before the United Nations and believe that the subject deserves much more careful and unheated consideration than it has received. We could appeal to both sides to stop and think and not take up hard and fast positions. To the anticolonialists, we could suggest that irritating South Africa is not an end in itself of very great value and that there are advantages in keeping South Africa as part of the free world. To the South Africans, we could suggest that some respect is due to the honest opinion of the free world about the rights and aspirations of native peoples. Obviously until we know the exact line which the South Africans intend to pursue we cannot work out a Canadian position in terms of resolutions and votes. Can we not, however, start from the basis sketched above of deploring extravagant claims by the Fourth Committee, urging South Africans to recognise that the Fourth Committee represents not only malevolence and irresponsibility but also a sincere desire on the part of some members to find the right path in a complicated situation and thus try to prevent a hardening of positions on both sides?

213. DEA/5431-40

Le secrétaire d'État aux Affaires extérieures
au chef de la délégation à l'Assembée générale des Nations unies

Secretary of State for External Affairs
to Chairman, Delegation to the General Assembly of the United Nations

TELEGRAM 174[18] Ottawa, December 31, 1951

SECRET

SOUTH WEST AFRICA

Reference: Your telegram No. 272 of December 29.

An examination is, as you suggested, being made here into the legal grounds for the contention by South Africa that the Fourth Committee exceeded its powers in deciding to hear the Hereros. Meantime could you ascertain the views of the United Kingdom and United States delegations as to the legality of the Fourth Committee's action?

2. While the question of satisfying nationalist aspirations in non-self-governing territories, as your telegram points out, needs very careful consideration in view of the importance of safeguarding NATO airfields and other defence installations, it is not clear that this has much bearing on the Southwest African question now before the Assembly. So far as we are aware, there is not as yet in Southwest Africa a nationalist demand for self-government. The question at issue in the Assembly is not a grant of self-government to Southwest Africa, but merely the extent of international supervision which it may be possible to exercise over South Africa's administration of the mandate. Southwest Africa, including its defence installations, will undoubtedly remain completely under South Africa's control, regardless of the action the Assembly takes.

3. The Canadian Government will wish to give the most careful consideration to the position which it should take when South Africa raises in the Assembly the question of the legality of the Fourth Committee's action. It will not be possible in the meantime to make any commitment to support South Africa, as suggested by Jooste in paragraph 4 of your telegram No. 271 of December 27. If possible, delay would be desirable before the question comes up in the Assembly, in order to give time for mature consideration by all countries concerned.

4. We would appreciate any information you can obtain as to the views of the Scandinavian countries.

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[18] Le télégramme porte la mention manuscrite :/Noted on telegram:
Repeat to London 2321 and Washington EX-2465.

214. DEA/5431-40

Le chef de la délégation à l'Assemblée générale des Nations unies,
au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations,
to Secretary of State for External Affairs

TELEGRAM 299 Paris, January 5, 1952

SECRET. IMMEDIATE.

SOUTH WEST AFRICA

Addressed Ottawa No. 299, repeated London No. 7.[19]

We were represented yesterday at a meeting on South West Africa attended also by representatives of Australia, New Zealand, South Africa, and United Kingdom. The purpose of the meeting was to give Dr. Donges an opportunity to explain the intentions of the South African Government on the matters raised with us by Jooste on December 27 (my telegram No. 271 of December 27).[†]

2. Dr. Donges spoke, in essence, as follows. He had been impressed during his visit to South Africa with the indignant state of all sections of public opinion regarding the South West African question. In the action which it had already taken the government had general support throughout the country. In order to satisfy mounting demands for further concerted action, it had decided to seek an opportunity of tabling in plenary session a resolution (text contained in my immediately preceding telegram) challenging the legality of the Fourth Committee's action in granting hearings to the Hereros and to Michael Scott. The object of narrowing the issue to purely legal grounds was to attempt to gain the support of countries which would not support South Africa on the substance of the case. South Africa hoped that "the nations whose opinions really count" would see that the action taken by the Fourth Committee was a symptom of the wider tendency, apparent at this session, viz., the trend towards unjustified criticism of the administering powers and illegal interpretations of the charter. This trend had been illustrated by the claim of an irresponsible majority that the Fourth Committee was empowered to discuss political affairs in non-self-governing territories.

3. Donges continued that in view of the hostility of the majority, South Africa had no illusions about the result of the vote on its resolution but hoped to win the support of a responsible minority. He was not sure of the best tactics for introducing it. He did not favour attempting, through the General Committee, to place a new item on the agenda. It would therefore be necessary, under Rule 67 of the Rules of Procedure, to obtain the support of

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[19] Notre copie du télégramme porte la note suivante :/The following was written on this copy of the telegram:

In repeating this telegram to Washington we omitted para 9 & so renumbered para 10 making it 9. A. I[reland] one-third of the members present and voting for a discussion of the Rapporteur's report on the South West African item. The repercussions in South Africa would be "unpredictable" if he was deprived of putting (word omitted) his government's case. Assuming, however, that the necessary support for discussion of the report was obtained, he would take the opportunity to emphasize the constitutional issue and he would close his speech by proposing his resolution.

4. A frank exchange of views followed on the feasibility and wisdom of the course outlined by Donges. Both the United Kingdom and Australia considered that the resolution would probably be ruled out of order on the ground that it raised a new matter not related to the substantive resolutions contained in the Rapporteur's report. In reply Donges reported that he would relate his resolution not to the substantive resolutions on South West Africa but to those parts of the Rapporteur's report which referred to the Hereros and Michael Scott. Jooste had seen the President of the General Assembly, whose initial reaction to this argument was that such a resolution would not be out of order. In response to a United Kingdom objection that the present text of the resolution did not make specific enough reference to the Rapporteur's report, Donges said he could make the necessary textual adjustments.

5. The Australian representative, while generally sympathetic to South Africa, hoped that it would not be necessary to vote on whether or not the resolution was in order. Australia itself would be greatly embarrassed if a vote were necessary, partly because it was uncertain if such a resolution would be in order but principally because, if the resolution were ruled in order, unfortunate consequences might ensue. Certain delegations unfriendly to South Africa might well vote in favour of considering the resolution so as subsequently to vote it down. The effect of its rejection would not only be a defeat for South Africa but would also be an endorsement by the General Assembly of the decisions of the Fourth Committee. This would be an unfortunate development. It would be much preferable for the committee's decisions to remain in dispute than for them to be sanctioned by a formal decision of the Plenary Assembly. As matters now stood it would be possible in future to fight in committee the granting of similar hearings. No such opposition would be possible once the Assembly had decided that in 1951 the Fourth Committee did not exceed its legal competence. In this view the Australian delegation was strongly supported by the United Kingdom. Fitzmaurice, the United Kingdom Legal Adviser, thought that if it became necessary to vote upon the point of order, many of South Africa's friends would pray to be defeated.

6. The Australian representative then stated that in addition to the procedural arguments explained above, Mr. Casey had instructed him to emphasize:

(a) The desirability of South Africa's clearing its intentions with the Americans in view of the general political importance of keeping in step with the United States:

(b) The advisability of obtaining French approval, since to revive the Hereros controversy might lead to renewed trouble over the Moroccan item.

7. Dr. Donges was evidently surprised at the strength of the objections which had been put forward by the United Kingdom and Australia and which were later echoed by New Zealand. After saying that the precedent which might be caused by the Assembly's rejection of his resolution would be no more dangerous than the existing situation in the Fourth Committee, he turned to consider the alternatives open to South Africa. He summarized these as follows:

(a) As a "bare minimum", he could without introducing a resolution, simply state South Africa's position and take no further action. In this hypothetical case he would "expect" friendly countries to make speeches in South Africa's support, drawing attention to the constitutional illegality of the Hereros and Scott hearings. He implied that his present instructions would not permit him to adopt tactics as moderate as this.

(b) He could present South Africa's case, and, again without introducing a resolution, announce that as a protest against the Fourth Committee's actions his delegation would resume its present policy of non-participation. In this case he would again hope that friendly delegations would make speeches supporting South Africa on the constitutional issue and that they would abstain on the Rapporteur's report containing the two substantive resolutions on South West Africa, even though they had supported these resolutions in the Fourth Committee. He realized that this would pose a problem for countries such as Canada and the United States which had supported one or other of these substantive resolutions, but he hoped that they could justify their abstentions on the ground that the Rapporteur's report contained certain sections that were for legal reasons unacceptable. Selwyn Lloyd regarded this as the most desirable course. He hoped that it might be sufficiently strong to appease public opinion in South Africa and he pointed out that it would avoid the dangers which might ensue if South Africa persisted in tabling its draft resolution. Donges doubted if this course would satisfy his government.

(c) He could follow the course he had originally outlined by introducing his resolution at the end of his statement. He enquired directly whether the countries represented would vote in favour on the point of order and both Australia and the United Kingdom reiterated the objections noted in paragraph 5 above. Fitzmaurice pointed out that it would be unrealistic to vote on the point of order without thinking ahead as to the deeper consequences.

8. We did not take an active part in the discussion but confined ourselves to a brief statement based on the relevant parts of your telegram No. 174 of January 2. Donges hopes to see the Americans today or tomorrow, and he is unlikely to speak to us again until their attitude is known.

9. It now seems clear that we shall have to be prepared to meet a number of possible eventualities. These are discussed in my immediately following telegram which offers some suggestions on the line we might follow in each case.

10. It is possible that this question will come up in plenary next Thursday, January 10, although it may be delayed for a few more days. We shall keep you informed.

215. DEA/5431-40

Le chef de la délégation à l'Assemblée générale des Nations unies, au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

TELEGRAM 300 Paris, January 5, 1952

SECRET. IMMEDIATE.

SOUTH-WEST AFRICA

Addressed to External No. 300, repeated to London No. 8 from Candel.

Following are comments referred to in my immediately preceding telegram on South-West Africa. The problems which are likely to face us within the next week are discussed in the order in which they will probably develop:

(a) We presume you agree that it would be desirable if the South Africans could be dissuaded from submitting their resolution. If the opportunity arises, should we privately add our voice to those of the United Kingdom and Australia in this regard?

(b) We presume that it would be in order for us to support South Africa's request under Rule 67 for a discussion in plenary of the rapporteur's report on the South-West African item.

(c) If South Africa were disuaded from introducing its resolution, a vote would be called for only on the two substantive resolutions passed by the Fourth Committee. Do you agree that in these circumstances we should vote as we did in committee? The question would also arise whether we should speak, and if so what we should say (1) if the South Africans merely registered a forceful protest on the constitutional issue, and (2) if they decided to resume their current boycott of the Assembly.

(d) If the South Africans decided to persist with their resolution, we should have to decide (1) how to vote on the point of order whether the resolution was admissible, (2) if the resolution was admitted, how to vote on the legal issue and (3) whether to speak and what to say on either or both (1) and (2) in this paragraph;

(e) With respect to whether we should support admissibility of the resolution, we are impressed with the United Kingdom-Australian argument, and are doubtful if we should vote in favour. Moreover, we fear that Donges' intention to relate his resolution to a part of the rapporteur's report might lead to a dangerous precedent whereby irresponsible elements could clutter up plenary sessions with any number of draft resolutions unrelated to or at variance with the resolutions adopted by main committees in their consideration of each item.

We should, therefore, suggest that we might abstain on or vote against the admissibility of the resolution. We are uncertain whether at that stage we should make a statement.

(f) Finally, if the resolution were admitted, we should be faced with the need to vote on the legal issue, and with a pretty clear obligation to make a statement. So far as possible, we have ascertained the legal positions of the delegations mentioned in your telegram No. 174; a summary will follow very shortly. We do not feel competent to suggest a position on the legal issues but we feel that in any statement we make, even on the legal rights and wrongs, it would be difficult not to adopt an understanding one towards South Africa, the degree of warmth to be related to the course of action the South African Government decides to follow, as well as to your assessment of the validity of the South African legal argument.

2. We should be grateful for instructions on the position we should take in the various situations described above, and to have guidance for any statement you consider it would be advisable to make.

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216. DEA/5431-40

Le secrétaire d'État aux Affaires extérieures
au chef de la délegation à l'Assemblée générale des Nations unies

Secretary of State for External Affairs to Chairman,
Delegation to the General Assembly of the United Nations

TELEGRAM 189[20] Ottawa, January 6, 1952

SECRET

SOUTH-WEST AFRICA

Reference: Your telegram No. 271 of December 27.

With reference to paragraph four of your telegram the Minister has approved of your participating in the preliminary talks which Donges is planning. However it is not — repeat not — possible yet to make any commitments to support South Africa and examination is being made here into the legal grounds for the South African contention.

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[20] Le télégramme porte la mention :/Noted in telegram:
Repeated to London 27, Washington 35, CPD(UN) New York 7, Pretoria 1.

217.

DEA/5431-40

Extrait du télégramme du secrétaire d'État aux Affaires extérieures à la délégation à l'Assemblée générale des Nations unies

Extract from Telegram from Secretary of State for External Affairs to Delegation to the General Assembly of the United Nations

TELEGRAM 199[21]

Ottawa, January 8, 1952

SECRET. IMPORTANT.

SOUTH-WEST AFRICA

Reference: Your telegram No. 300 of January 5, repeated to London No. 8 from Canadian Delegation to the United Nations Assembly, Paris, France.

Our Legal Division holds the opinion that the Fourth Committee did not, repeat not, exceed its powers in deciding to grant a hearing to the Hereros and the Reverend Michael Scott. There has not yet been time for the Minister to give consideration to this opinion and its effect on the various votes which may take place. A further telegram will go forward to you today or early tomorrow answering the questions in your telegram No. 300.

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218.

DEA/5431-40

Le secrétaire d'État aux Affaires extérieures à la délégation à l'Assemblée générale des Nations unies

Secretary of State for External Affairs to Delegation to the General Assembly of the United Nations

TELEGRAM 209[22]

Ottawa, January 9, 1952

SECRET. IMPORTANT.

SOUTH-WEST AFRICA

Reference: Your telegram No. 300, of January 5.

I have considered the points raised in your telegram and my view is that you should follow the course outlined below:

(a) We should not, repeat not, add our voice to those of other countries which are privately appealing to South Africa to drop its resolution. In the past we have not intervened on this question and to do so now might lead the South Africans to think that we are showing belated sympathy for the consequence of our action in voting for the resolution "regretting" South Africa's attitude. If the South Africans ask for our opinion, we should tell them we think they are unwise in trying to introduce the resolution; however if they do not, repeat not, ask us for our opinion, then we should not, repeat not, make a private appeal to them.

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[21] Le télégramme porte la mention :/Noted in telegram:
Please repeat this message to London No. 41.

[22] Le télégramme porte la mention :/Noted in telegram:
Please repeat this message to London No. 66, Washington No. 74, Pretoria No. 4, CPD(UN) No. 14.

(b) We should support South Africa's request under rule 67 for a discussion in plenary of the rapporteur's report.

(c) If a point of order is raised on whether the South African resolution is admissible, we should vote to sustain the ruling of the President of the Assembly, unless we have any doubts about the correctness of a Presidential decision against admissibility, in which case we should abstain.

(d) On the South African resolution itself, that is the legal issue as to whether the Fourth Committee exceeded its powers, we should abstain.

(e) On the two substantive resolutions passed by the Fourth Committee, we should vote as we did in the Committee.

(f) No, repeat no, statement of our position need be made on any vote.

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219. DEA/5431-40

Le chef de la délégation à l'Assemblée générale des Nations unies, au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

TELEGRAM 364 Paris, January 12, 1952

CONFIDENTIAL. IMPORTANT.

SOUTH WEST AFRICA

Addressed External No. 364, repeated to London No. 41.

1. The Fourth Committee agreed on January 10, without vote, to hear a further statement from Michael Scott, prior to concluding its consideration of the South West Africa item. Scott gave his statement on January 11, recounting the unsuccessful efforts made by the Hereros to travel to Paris, and urging the committee not to relax its determination to hear their evidence at first hand. He suggested that, in view of South Africa's refusal to permit the chiefs to come to Paris, the United Nations might consider sending a mission to South West Africa to verify the validity of the Hereros' claims.

2. After a round of tributes to Scott, the committee voted on a resolution transmitting his statement to the *ad hoc* committee on South West Africa and directing the rapporteur "to express in the report to the General Assembly its (the Fourth Committee's) regrets for not having been able to hear the Herero chiefs." Together with the United States, the United Kingdom, Australia, New Zealand, Belgium, France, the Netherlands, and Ethiopia we abstained on this resolution which received 40 votes in favour with none against. During the meeting the Chairman proposed that the *ad hoc* committee on South West Africa, reconstituted in the resolution passed by the Fourth Committee on

December 11, should be the same as in 1951, with the exception of Denmark's replacement by Norway. There was no objection.

3. With these decisions, the committee has completed its work on the South West Africa item. The Secretariat has not as yet decided when to place the item before a plenary session, nor have the South Africans indicated whether they will insist on tabling their resolution.

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220. DEA/5431-40

Le chef de la délégation à l'Assemblée générale des Nations unies, au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

TELEGRAM 373 Paris, January 13, 1952

SECRET. IMMEDIATE.

Addressed to External as No. 373, repeated Dominion London as No. 43.

1. At the invitation of the South African delegation, I attended a meeting yesterday on South West Africa. The United Kingdom, Australia, and New Zealand were also represented.

2. From Donges' account of recent developments, it appears that South Africa has gone some way towards recognizing the validity of the objections raised by Australia and the United Kingdom at the Commonwealth meeting on January 5 (para. 5 of my telegram No. 299). Donges began by saying that his present instructions would not permit him to refrain from submitting his resolution. He added the qualification, however, that if the President ruled his resolution inadmissible, or if it was voted out of order by the Assembly, he would make no further effort to force it to a vote, and would be content if a number of speeches sympathetic to South Africa were made during the debate on the rapporteur's report.[23]

3. Both Lloyd (United Kingdom) and Officer (Australia)[24] repeated in the strongest terms their hope that South Africa would not insist on presenting its resolution. They emphasized the potential danger of the precedent which would be set if the Assembly were given the opportunity to reject the resolution and thus endorse the Fourth Committee's action. Officer asked whether all the possible means of satisfying South African public opinion had been exhausted. He suggested, with support from Lloyd, that instead of tabling the resolution and risking a heavy rejection, Donges might consider concluding his speech in plenary with a formal declaration asserting the illegality of the Fourth Committee's decisions regarding the Hereros and Michael Scott. In this way, embarrassing votes, on which South Africa might not be able to count on the

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[23] Note marginale :/Marginal note:
this is *no* concession — he could do no other. A. I[reland]

[24] Sir Keith Officer, ambassadeur d'Australie en France.
Sir Keith Officer, Ambassador of Australia in France.

support of its friends, would be avoided. Moreover, countries sympathetic to South Africa could speak more strongly against the Fourth Committee if they knew that they would not subsequently have to participate in a difficult vote on the constitutional issue. Both the United Kingdom and Australia said that they would have to abstain on such a vote. It is clear that both are under instructions to put the strongest pressure on South Africa. Behind these instructions there is evidently the conviction that while the South African plan to indict the Fourth Committee may suit the Union Government, it will work to the future disadvantage of other countries with colonial responsibilities. According to this line of thought the South Africans, who claim to be acting in the best interests of countries with colonial responsibilities, would be scoring a point (to placate opinion at home) at the future expense of those very countries.

4. Donges was at first inclined to argue that if states were anxious to avoid a vote on this resolution, they should support the position that it was inadmissible. He implied that it would not be fatal if the resolution were still-born as long as he got the support of a respectable minority. It was, however, pointed out to him that to rely on the resolution's being declared inadmissible would be a risky gamble. Recent plenary sessions had shown that the President was unwilling to take a strong line of any kind, and there was therefore little reason to hope that he could be depended upon to rule the resolution out of order. In any event the critics of South Africa might successfully challenge such a ruling, in order to administer a resounding defeat to the South African resolution.

5. Towards the end of the meeting, Lloyd again underlined the importance which the United Kingdom attaches to avoiding a vote on the South African resolution by asking Donges to accept Officer's suggestion outlined in paragraph 3 above. Donges eventually agreed to put this suggestion to his government, but he implied that it was of some importance to him to know what form of support he could expect from the other older Commonwealth countries if South Africa agreed to withdraw its resolution. The United Kingdom, Australia, and New Zealand representatives indicated that in that case they would make speeches supporting South Africa and criticizing the Fourth Committee. I said that, as at present instructed, we could not be of much help to South Africa. Lloyd thereupon hinted that some countries which had voted in favour of the Fourth Committee's resolution "regretting" South Africa's attitude, might alter their vote to an abstention if South Africa would agree not to persist with its resolution. As the Canadian delegation was the only one present which had supported the resolution in question, Lloyd was evidently addressing his remarks to us. Lloyd and I had a short discussion after the meeting, during which he said that if Mr. Eden was now in Ottawa he proposed to suggest to him that he should discuss the matter with you.

6. In view of the importance which the United Kingdom obviously attaches to this matter, I should be interested to know if you think we should agree to abstain on the substantive ("regretting") resolution in question, if this would help to dissuade the South Africans from presenting their resolution condemning the Fourth Committee. I am not sure how much effect such a

concession on our part might have on South Africa, but I gained the impression yesterday that some evidence of increased Canadian support might be influential with the South African Government. I am impressed with the dangerous consequences which would almost certainly ensue if a precedent were established for the hearing of groups or individuals from areas other than trust territories, and I therefore feel that we should consider carefully if there is anything we can do to prevent a vote being taken on the South African resolution. Since our attitude might be a determining factor at this stage, I think the circumstances warrant not necessarily a change but at least a review of the instructions contained in paragraph (d) of your telegram No. 209.

7. While I have not had time to go into the question thoroughly, I am not entirely convinced by the legal arguments prepared by your department and this reinforces my feeling that on political grounds a re-examination of our attitude is worth considering. It might also be desirable to have a further look at the legal position in the light of the following considerations:[25]

(a) The Charter provides for the acceptance and examination of petitions by the United Nations only in respect of territories under the trusteeship system.

(b) According to the advisory opinion of the International Court, South Africa, though not obliged to place South West Africa under the trusteeship system, is required to transmit petitions to the United Nations from inhabitants of South West Africa. Nothing is said in the opinion about the right of those persons to be granted oral hearings.

(c) The desirability of limiting petitions or hearings to cases specifically provided for in the Charter.

(d) The serious consequences which might flow if the General Assembly decides that committees are free to grant hearings to persons who ask for them. Trouble-makers not only from trust territories but colonial territories and sovereign states may ask for hearings.

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[25] Note marginale :/Marginal note:
we *had* time!!
can this be Mr. Garson?
if our tel[egram] No. 199 had been read even in a cursory fashion, (a) & (b) need not have been asked. A. I[reland]

221. DEA/5431-40

Le secrétaire d'État aux Affaires extérieures
à la délégation à l'Assemblée générale des Nations unies

Secretary of State for External Affairs
to Delegation to the General Assembly of the United Nations

TELEGRAM 231[26] Ottawa, January 16, 1952

SECRET. IMMEDIATE.

SOUTH-WEST AFRICA

Reference: Your telegram No. 373 of January 13.

I have carefully considered all the points raised in your telegram and have examined again the views expressed in my telegram No. 209 of January 9 and my telegram No. 199 of January 8. While this whole question is a cause for deep concern, I think that we should not, repeat not, change our position as outlined in my telegram No. 209 which was adopted after prolonged examination of all angles.

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222. DEA/5431-40

Le chef de la délégation à l'Assemblée générale des Nations unies,
au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations,
to Secretary of State for External Affairs

TELEGRAM 409 Paris, January 19, 1952

CONFIDENTIAL. IMMEDIATE.

SOUTH WEST AFRICA

1. South Africa's request under Rule 67 for a discussion of the Fourth Committee report on South West Africa was upheld yesterday afternoon in the plenary session. Seventeen delegations voted in favour (including Canada), eighteen against, and twelve abstained, with the result that the required one-third was obtained.[27] This vote was taken at the opening of the meeting following which the Assembly disposed in two and a half hours of all other items on the Fourth Committee's agenda.

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[26] Le télégramme porte la mention :/Noted in telegram:
Please repeat this message to: London No.123.

[27] Notes marginales :/Marginal notes:
17
18
12
47
they just made it!

2. After first asking in vain for an adjournment until today, Donges then addressed the Assembly for just over an hour. It was a forceful and well presented[28] statement which concentrated largely on the illegality and the dangerous implications of the Fourth Committee's action in deciding to grant hearings to the Hereros and Michael Scott. Donges described the behaviour of the Fourth Committee towards South Africa as "maladroit, vindictive, and unconstitutional". He did not table his resolution, but concluded his statement with a formal charge against the Fourth Committee on constitutional grounds, and with an announcement that the South Africans would not take part in any vote on the draft resolutions submitted by the Fourth Committee on this item.

3. For the most part the substance of Donges' speech was along the lines anticipated. About half of it was devoted to a detailed presentation of the South African legal case, with which you are familiar. This case was, however, supplemented by a number of other arguments among which the following predominated:

(a) Even if the decision to grant hearings to the tribal chiefs had been legal, the particular chiefs invited were by no means representative of the bulk of the population of South West Africa, and in any case could have been of no assistance in dealing with the item under discussion;

(b) Michael Scott was even more unqualified to speak for the indigenous people, and in fact had misrepresented his qualifications to do so;

(c) The natives of South-West Africa were better off than they had ever been, and many of their important chiefs attributed this to the efforts of the Union Government;

(d) Every member State of the United Nations was entitled to the right of protection against unfair and unjust action by fellow members. South Africa could not tolerate "outrageous insults from countries whose energies might far better have been employed in sweeping before their own doors". South Africa was contributing in Korea to United Nations resistance against aggression and its domestic policies were being subjected to unwarranted attacks by countries which were not. If these attacks persisted, South Africa would be forced to retaliate in kind.

(e) This incident was more than a gesture of revenge in a vendetta of some countries against South Africa; it was "a symptom of an ailment in the body politic of the United Nations." Other such symptoms were the unjustified demand to discuss political conditions in the non-self-governing territories and the growing disposition to interfere in matters falling within the domestic jurisdiction of States. No organization could survive if its members disregarded the principles on which it was founded. If the United Nations took no steps to arrest this tendency it would be condoning breaches of the Charter, and could never again ask member States to respect or observe authorities which it itself had ignored.

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[28] Note marginale :/Marginal note:
but not convincing.

(f) For the practical point of view the invitation to Michael Scott underlined a dangerous precedent. If the Assembly allowed this latitude to one individual, it was a short step to the point where much of the Assembly's time would be consumed in listening to the real or imagined grievances of minority groups which would be exploited by other nations for ulterior purposes. Unless the provisions of the Charter were rigidly adhered to, the organization would have to sacrifice the attainment of its primary objectives since it would be swamped with petitions and pleas from disgruntled groups and individuals.

4. At the conclusion of his statement Donges read his formal complaint against the Fourth Committee together with the bases of the charge. A verbatim excerpt of this part is given in my immediately following telegram. Full text of the statement will be sent to you in the next bag.

223. DEA/5431-40

Le chef de la délégation à l'Assemblée générale des Nations unies,
au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations,
to Secretary of State for External Affairs

TELEGRAM 417 Paris, January 19, 1952

CONFIDENTIAL

SOUTH-WEST AFRICA

Addressed to External No. 417, repeated to London No. 57.

After an unexpectedly mild debate, the Assembly concluded the South-West Africa item this morning. No new resolutions were tabled, and the only substantive votes taken were on the two resolutions proposed in the rapporteur's report. Although South Africa carried out its announced intention of not participating in these votes, its delegation did not withdraw from the meeting. There is general relief, shared by some members of the South African delegation, at the outcome of the whole episode.

2. Before the meeting began, we were informed that a Latin American move was afoot to apply the closure to the debate before any other delegations had had an opportunity to speak. This motion, however, was not immediately forthcoming, and Jebb (United Kingdom) led off with a restrained and lucid defence of the South African legal argument. He was followed by Madame de Larragoitti (Brazil) who employed her considerable dramatic powers in defence of the Fourth Committee and in justification of the credentials of Michael Scott and the tribal chiefs concerned. Much of her statement was a repetition of the emotional arguments used in committee by the leading critics of South Africa. For a time, it appeared that she would touch off an unpleasant debate, but she concluded with a motion for closure on the ground that each side had now been heard and that it would be in the general interest to leave it at that. This motion was defeated on a vote of 23 in favour of closure, 24 (including Canada) against, and 12 abstentions. We voted against the closure

at this stage because we considered that in principle it was unwise to extinguish the debate so soon after Rule 67 had been applied, and because Donges spoke in favour of continuing.

3. There followed 7 further statements, 4 of which (the Netherlands, New Zealand, Australia, and France) supported South Africa on the legal issue, and 2 (Uruguay and Iraq) took the opposite position. The Iraqi, who was remarkably conciliatory considering his performance in committee, concluded his statement with a further motion for closure. Before the vote was taken, however, Sardar Malik (India) explained that his delegation wished to speak after lunch, and moved the adjournment, which under Rule 78 took precedence over the motion for closure. The vote on adjournment resulted in the peculiar figures of 19 in favour, 19 against, and 19 abstentions, and was thus defeated. The motion for closure was then put and carried by 32 in favour, 10 against with 17 abstentions. In spite of South Africa's desire to have the debate continue, we abstained, because we considered that a debate of reasonable length had taken place and because it seemed that more harm than good would come from dragging it out further. Moreover we felt that since South Africa had received support from 5 speakers, very little more open support for her would be forthcoming.

4. The Assembly then voted on the two substantive resolutions in the rapporteur's report. The "regretting" resolution was adopted by 45 votes (including Canada) to 5 (the Soviet bloc) with 8 abstentions (Australia, Belgium, Guatemala, Iceland, Luxembourg, New Zealand, Turkey, and the United Kingdom). This differed from the committee vote in that Iceland, Luxembourg, and Turkey, absent in committee, replaced Mexico, Peru and Yugoslavia among the abstainers. The vote on the second resolution was 36 in favour, none against, with 22 abstentions (including Canada), as against 33-0-17 in committee.

5. Before the meeting closed, Sardar Malik,[29] on the pretense of explaining his vote, managed to deliver most of the speech which he had intended to give in the general debate. Malik was most impressive in replying to that part of Donges' statement in which he had said that if other countries persisted in criticizing South Africa's domestic policies, South Africa would retaliate in kind. India, Malik said, admitted that injustices existed within its borders, but was conscious of and humiliated by them, and was doing its best to see that they were rectified. This was a telling answer to Donges, who had denied that South Africa had anything for which to apologize; it was also a courageous admission, of a sort rarely made in the United Nations. Malik also contrasted South African native policy with the enlightened efforts being made in the United States to deal with problems of racial discrimination. This very effective speech was clearly out of order as an explanation of vote, but the President, in the absence of objections from the floor, allowed Malik to finish and then immediately adjourned the meeting.

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[29] **Ambassadeur de l'Inde en France.**
Ambassador of India in France.

6. The principal question arising out of this debate is why the critics of South Africa deliberately ignored the opportunity to retaliate against Donges. Two possible answers occur to us:

(a) That by linking South Africa's complaint with the long-term interests of other members, Donges may have managed to give some pause to countries which have hitherto had a field day at the expense of the Administering Powers but which have nothing to gain from a progressive undermining of the United Nations;

(b) That the critics of South Africa do not wish to give that country an excuse for leaving the United Nations. From the South African point of view, the debate could obviously have turned out much less satisfactorily, and no doubt it would have done so if Donges had decided to table his resolution. The Administering Powers, who had advised strongly against the resolution, are greatly relieved by the fact that the airing of South Africa's grievances did not lead to a formal endorsement by the Assembly of the Fourth Committee decisions to hear the chiefs and Michael Scott.

SECTION C

APPRÉCIATION/ASSESSMENT

224. DEA/5475-DW-14-40

Le chef de la délégation à l'Assemblée générale des Nations unies, au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

TELEGRAM 533 Paris, February 8, 1952

SECRET

GENERAL ASSESSMENT OF THE SIXTH SESSION OF THE UNITED NATIONS ASSEMBLY

Reference: Our telegrams Nos. 125 of December 3 and 252 of December 21, 1951 and your telegram No. 206 of January 9, 1952.[†]

Addressed External No. 533, repeated Dominion London No. 130.

1. The Sixth Session of the Assembly came to an end on February 5th with few regrets. As you said in your recent message of congratulations to the delegation (which was much appreciated), it has been a difficult and frustrating session, though probably no more so than in recent years.

2. In this final review I propose to concentrate on the work of the session since the new year. Some of the general observations we will try to make, however, will necessarily overlap with some of our earlier comments. We are, of course, very conscious that we have been completely immersed in the

Assembly, to the exclusion of almost everything else, and yet are attempting judgments before the dust has had time to settle.

An American Assessment

3. A few days ago Dr. Jessup told the American Club in Paris that if Mr. Vyshinsky had reported to the Polit-Bureau [*sic*] honestly on his return to Moscow the previous week, he would have had to say that the Soviet bloc had failed to make any impression on the free world during this session of the Assembly, and that virtually none of the Assembly's accomplishments had had the benefit of Soviet cooperation.

A Polish Assessment

4. Katz-Suchy,[30] the firebrand of the Polish delegation, has, through his long United Nations experience, built up a number of Western contacts to whom he talks remarkably freely. Usually he is completely cynical about "lines" on both sides. Yet those to whom he has spoken recently are convinced that he believes the Soviet bloc has done very well at this Assembly. He points out that the fishing in troubled waters has been unusually good — notably in the Middle East and North Africa. Never before, he says, has there been such a marked tendency among the Arabs, Asians and Latins to abstain on East-West issues. On secret votes where arms cannot so easily be twisted, the Assembly has, he maintains, shown its real sentiments by nearly electing Byelo-Russia against the candidature of Greece, very strongly supported by the United States. Although the Soviet resolution in favour of a "package deal" admitting all outstanding applicants for membership did not obtain the two-thirds majority the resolution passed in committee in spite of all the violent language Mr. Gross could hurl against it. Most satisfactory of all, from his point of view, was the way in which Mr. Vyshinsky was able, as he claims, to "outmanoeuvre the Americans" and force the United States delegation to adopt publicly a stand against discussing Korea in the United Nations. While United States forces are fighting there under the United Nations label, the United States will not even discuss Korea under the United Nations roof, he concludes.

A Canadian View

5. From the point of view of any Canadian delegation no assessment of the work of the Assembly can be built up on what either side may think that it has achieved or not achieved. Dr. Jessup's verdict on the lack of success of the Soviet bloc is, I think, true as far as it goes but I am sure he would be the first to admit in private that the United States delegation (and the Western delegations generally) have few positive achievements to their credit. They fathered or ghosted a large majority of the resolutions which were passed. They had their way in the end on almost every issue of any importance. But the establishment of the Disarmament Commission was their one major

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[30] Juliusz Katz-Suchy, membre de la délégation de la Pologne à la sixième session de l'Assemblée générale.
Juliusz Katz-Suchy, Representative, Delegation of Poland to the Sixth Session of the General Assembly.

accomplishment, and its long-range importance cannot yet be judged. No one can say, however, that through this Assembly East-West tension has abated, or that much has been done towards bridging the gaps between the North Atlantic countries on the one hand, and the Arabs, Asians and Latins on the other. Although we can say that the tension between East and West is no worse (and that is something these days), the other gaps are probably wider — and certainly with the Arabs and to a lesser extent with the Asians and Latins.

A Two-Power Assembly

6. Although we are hampered by lack of experience of previous Assemblies in making comparisons, I think it is true that never before have the main lines of debate on items in the political committees been left so largely to the Great Powers. Among the smaller delegations, and also in the Secretariat, there was an increasing sense of frustration because the Assembly was not, in fact, deciding any big issues, many of which were not even before it, but had become to a greater degree than in any previous year, a place where the two Great Powers found it convenient to do their arguing.

7. As an example of the attitude of some of the smaller Powers, I cite India. In marked contrast to the role they played at the last Assembly, the Indian delegation was one of the most passive this year on nearly all political subjects, resting comfortably behind the formula that if the United States and the Soviet Union were not agreed on an issue they would abstain as nothing but propaganda and increasing tension could result. There was nothing comparable during this Assembly to the initiative taken last year, during the Korean negotiations, by Mr. Entezam (Iran),[31] Sir Benegal Rau (India)[32] and yourself.

8. Another symptom of the same feeling was the difficulty, especially in the political committees, of finding speakers until after the United States and Soviet delegations had declared their positions.

9. There were other reasons for the relative passivity of delegations of smaller countries in the political committees. It was apparent to everybody that nothing substantial would be accomplished in the field of disarmament until the Great Powers were ready to agree and their disagreement was evident even before the subject was referred to the First Committee. Marginal agreements, in the Big-Four sub-committee, and the flurry of hopes following Mr. Vyshinsky's concessions, modified slightly this underlying pessimism but did not change it.

10. In contrast to disarmament, the subject which had dominated the previous Assembly — Collective Measures and Uniting for Peace — was not a two-Power subject. Progress could be and was made despite Soviet opposition.

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[31] Nasrollah Entezam, ambassadeur d'Iran aux États-Unis, chef de la délégation à la sixième session de l'Assemblée générale.
Nasrollah Entezam, Ambassador of Iran in United States; Chairman, Delegation to the Sixth Session of the General Assembly.

[32] Sir Benegal Rau, représentant permanent de l'Inde auprès des Nations unies ; chef de la délégation à la sixième session de l'Assemblée générale.
Sir Benegal Rau, Permanent Representative of India to the United Nations; Chairman, Delegation to the Sixth Session of the General Assembly.

This year, as soon as it became apparent that the USSR were not going to take up the Western disarmament proposal seriously, the whole mood of the Assembly sagged.

11. The inactivity of the smaller countries applied chiefly to the two political committees. In other committees, for example Committee Two (Economic), Committee Three (Human Rights) and Committee Four (Trusteeship), smaller countries were very active.

Press

12. The sense of letdown particularly affected the press, in view of the excessive build-up which had been given to the tripartite proposals in November. Some correspondents who came to the session with little or no previous experience of the United Nations re-acted even more strongly against "propaganda speeches" than those who had heard them all too often before. Some members of the press simply stopped coming to the session they were supposed to be covering, took the press handouts and enjoyed themselves in Paris while they wrote about the United Nations wasting time.

Leadership

13. Another reason for the weakness of this Assembly was the lack of leadership. At times when a strong President of the Assembly could have given a lead which would have been followed by a number of smaller countries, Mr. Padilla Nervo[33] did not raise a finger. His leadership has, I regret to say, been non-existent, and even in his function of conducting plenary meetings and co-ordinating the work of committees he had shown few of the qualities which should belong to a man in his high office.

13. [*sic*] I should add that it was not only the President and the smaller delegations who were to blame for the lack of leadership. On the Western side, Messrs. Acheson, Eden and Schuman, as was to be expected, only attended the Assembly for about two weeks. Of those who remained throughout the Assembly, Mr. Selwyn Lloyd (United Kingdom) and Dr. Jessup (United States) alone were outstanding. Selwyn Lloyd seemed to gain in effectiveness with each intervention he made. His adroitness, moderation and sincerity, particularly when rebutting in the best parliamentary tradition Mr. Vyshinsky's outbursts, were admired by all. Dr. Jessup's integrity and his great gifts of exposition had much to do with the successful outcome of the Assembly's work on disarmament and Palestine. No other member of the United States delegation approached his stature.

14. The French made little attempt to supply leadership and indeed their delegation did not even meet as a delegation for the first month of the Assembly.

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[33] *Luis Padilla Nervo, représentant permanent du Mexique auprès des Nations unies ; chef de la délégation à la sixième session de l'Assemblée générale.*
Luis Padilla Nervo, Permanent Representative of Mexico to the United Nations; Chairman, Delegation to the Sixth Session of the General Assembly.

15. Mr. Vyshinsky, the only Foreign Minister who stayed for almost the whole Assembly, seldom showed his old brilliance in dialectical debating. Although during the second half of the Assembly he was as violent as ever, he seemed somehow less confident and was on the defensive for most of the Assembly. The Soviet delegation made almost no attempt to discuss its point of view with other delegations, except from to time with certain Arab and Asian delegations. Only on the elections to the Security Council did they encourage the Polish delegation, the strongest of the satellites, to do some direct lobbying for them.

Political items

16. Apart from disarmament, the other subjects dealt with in the political field by the Assembly since Christmas were for the most part ones in which agreement between East and West was not a pre-condition of their success. Nevertheless, they tended, almost by habit, to slip, into the same kind of propaganda debate. I am thinking here of the items dealing with collective measures, Palestine, Libya, repatriation of Greek children, and the admission of new members. Exceptions were the Soviet item on threats of a new world war (which led directly into the discussion of Korea and a further round on disarmament) and the old Chinese Nationalist charge that the USSR had violated the Sino-Soviet treaty of 1945. While no doubt these Chinese charges were substantially true, the abstentions of all Commonwealth and Western European members showed that many important members saw no useful purpose in pursuing them. Oddly enough, it was during the discussion of these Chinese Nationalist charges that the United States chose without consulting us in advance, to issue their "solemn warning" that any further aggression in South-East Asia would be vigorously resisted.

Korea

17. Before turning to other items, I might mention one which the Assembly decided not to discuss — Korea. At the final plenary meeting of the Assembly there was a demonstration of the common sense and solidarity of the free world which was heartening after so many divisions of opinion and interest which had made themselves apparent on other subjects dealt with during the Assembly. By their votes in favour of adjourning the session without discussing Korea, and calling a special session for the purpose once an armistice has been signed (or an emergency special session if circumstances warrant it), the Arabs, Asians and Latins showed that they still have confidence in the sincerity and good faith of the West in general and the United States in particular. They showed that they do believe the United States wants an armistice as much as anyone but fear that to shift negotiations now to Paris would only delay the negotiations which are proceeding, albeit slowly, in Panmunjom. They might perfectly well have abstained on this question but, with only 2 exceptions, Chile and Yemen, they voted with the West.

Collective Measures

18. Despite the violence of the debate and the large number of weakening amendments accepted by the sponsors, the Collective Measures item was, I think, fairly successful. Apart from the Soviet Bloc, only three countries abstained on the final vote, giving the resolution as overwhelming support as had been given to the "uniting for peace" resolution last year. The significance of this is that the same majority was secured for a resolution that not only continues the work of the Collective Measures Committee but goes a good deal further than the "uniting for peace" resolution. It may not mean additional troops for Korea but it does, I think represent an appreciable enlargement in that the report of the Collective Measures Committee called the "area of collective will" to resist any aggression through the United Nations. No member is in any way committed to take any specific action in the event of aggression but there has at least been some psychological clearing of ground from which practical results may be expected to follow in a concrete case of aggression.

Definition of Aggression

19. While the Political Committee was debating what measures should be taken against an aggressor, several countries were pressing, in the Legal Committee, for a definition of aggression. The International Law Commission had found it impossible to reach agreement, but this did not dissuade the Legal Committee from trying to do so, despite the cautious approach of most Western delegations, including ourselves. An unfortunate split, therefore, developed between NATO and Commonwealth delegations on the one hand and Arab and Latin delegations on the other. This situation gave the Soviet Bloc an opportunity to pose as the defenders of the political and territorial integrity of the smaller nations. Even an innocuous compromise proposed by France and Venezuela to reconsider the whole question at the next session proved partly unsuccessful, and the majority of the Legal Committee insisted that the Assembly should specify that a definition of aggression was "possible and desirable" with a view to ensuring international peace and security. Efforts in plenary to have these objectionable clauses deleted, on the grounds that it pre-judged the whole issue, failed.

Palestine

20. The item to which the Canadian delegation was able to make its most fruitful contribution this session was also the least involved in the East-West struggle — Palestine, which as usual was discussed under two headings, a general peace settlement through the Palestine Conciliation Commission and the rehabilitation of Palestine refugees.

21. The Arab states and representatives of Arab refugees were glad to have a practical plan for rehabilitation of refugees proposed by the Relief and Works Agency and were willing to support it if it was not interpreted as prejudicing

the right of the refugees to ultimate repatriation. They insisted, however, that since the refugee question was an important issue in connection with the general peace settlement, they could co-operate in the fulfilment of the Blandford Refugee Plan only if the General Assembly adopted a resolution providing for continued United Nations conciliation efforts in line with resolutions on Palestine adopted in the past. Israel, on the contrary, felt that the time had come for free and direct bilateral negotiations between itself and its immediate neighbours on the basis of existing armistice agreements, with a minimum of United Nations participation. It therefore wanted the four-power resolution on the Conciliation Commission to make as little reference as possible to past resolutions of the General Assembly.

22. In committee the Arabs succeeded in pushing through a number of last-minute amendments which gave them a victory over Israel. The margin of support for these last-minute amendments was so narrow, however, that it seemed likely the resolution would be defeated in the Assembly and that in consequence the possibility of liquidating the refugee problem on the basis of the Blandford Plan would be seriously prejudiced.

23. It seemed to us that Israel might be persuaded to accept some changes in the resolution going part of the way towards meeting the Arab point of view, and that the Arabs might in their turn agree to concessions to Israel.

24. The Canadian delegation proposed four amendments to the sponsoring powers, who undertook the necessary negotiations with the Arab representatives, while the Canadian delegation got in touch with the representative of Israel. In the new atmosphere thus created, an arrangement was reached which resulted in a resolution supported both by Israel and its immediate Arab neighbours and by the overwhelming majority of the Assembly. Only the Soviet Bloc voted against the resolution as amended, while Iraq abstained. The Canadian delegation feels that despite hard words exchanged between parties to the dispute during the debate in committee, it is possible that if a man of Jessup's stature could be released for a few months' work on the Palestine Conciliation Commission before the effects of the compromise resolution have worn off, some progress might be made toward a peace settlement.

Middle Eastern Unrest

25. If our experience with Palestine was happy, it was the only bright spot in an otherwise unrelieved gloom surrounding all matters middle eastern, including the most aggravated ones that were not even brought before the United Nations. Either because the parties to the dispute did not wish to do so (as in the case of Suez, Sudan and Abadan) or because of the very strenuous opposition of one of the interested parties (as in the case of French North Africa). Although Mr. Eban has constantly referred to Israel as "a centre of confidence" in the Middle East, the Israeli representatives were rarely more co-operative than their Arab neighbours. One must, however, agree with Mr. Eban's judgement that "Arab nationalism has not shown a will to fit its aspirations into a framework of international interests." This may continue to be the case so long as the Arabs feel that the Western powers, for purely

strategic reasons, intend to perpetuate controls in the Middle East which have been relinquished elsewhere. The judgement of the Arab representatives has apparently been that their aspirations ought not to be fitted into the framework of existing international interests until the desire of Arabs to be rid of foreign intervention has received wider international recognition than is yet apparent.

26. More typical of Arab sentiments and in a way more worrying was the detached "plague-on-both-your-houses" attitude of Faris El Khoury of Syria.[34] This applied not only merely to official Arab statements on the record but often made it difficult for personal contacts established in happier days to be resumed on anything more than a strictly business basis. Far from the gap between the Arabs and the West being bridged, I am afraid that the rift is widening, and the Arabs tell us that those who established Israel and are now intent upon maintaining strategic interests at the expense of the legitimate aspirations of the peoples of the area can expect no better.

27. It would have been of great assistance to the delegation as a whole in handling the important and extremely delicate Middle Eastern questions before this Assembly (and others which might have come before it) if we had had any independent sources of information on Middle Eastern affairs. As it was, we were almost entirely dependent on what we were told by United Nations agencies and by the United States, United Kingdom and French delegations, who of course had very full reports from their respective missions throughout the area.

Arab-Asian Group

28. The Arab-Asian grouping was more in evidence this year than in the past. I understand it began with informal meetings among Arab and Asian delegations on Indonesia following the Delhi conference of 1947. The group met frequently to discuss Korea during the last session and this year have met on all the important subjects before the Assembly. Interestingly enough, the Philippines have not been attending meetings this year and Thailand has been sending only an observer. Both states are regarded by the other Asians as being too much under Western influence. We do not know what has been going on at the meetings of this group but it has seldom voted as a bloc in the same way as the Latin American countries usually do. There have, for example, been several signs of Arab-Latin bargaining of votes, particularly during elections for United Nations office. The Asians have, so far as we can tell, not made deals, except for the election of Sir Benegal Rau to the International Court. Their normal preference seems to be to abstain, and the pattern has even spread this year to include Pakistan which abstained, for example, on the disarmament resolution, using the same formula as India, that without agreement among all the powers, no disarmament proposals were worth anything.

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[34] **Faris El-Khoury Bey, chef de la délégation de la Syrie à la sixième session de l'Assemblée générale.**
Faris El-Khoury Bey, Chairman, Delegation of Syria to the Sixth Session of the General Assembly.

29. In our telegram No. 252 of December 21, 1951, I mentioned Sir Zafrullah Khan's speech paying "humble tribute" to the Soviet bloc for their support on Morocco and other issues affecting the self-determination of peoples. Zafrullah has tried to make amends since Christmas. He has profusely apologized to the Americans in private. But he has not played as great a role at this Assembly as his abilities would permit, perhaps because of the state of extreme tension throughout the Middle East and the fact that the sympathies of his people are so heavily engaged on the Arab side that any moderating lead he might try to give would be badly received among the Pakistanis and other Moslem peoples to whose leadership he certainly aspires.

Economic and Financial Problems

30. For the under-developed countries, strongly and shrewdly led by Mr. Santa-Cruz of Chile,[35] the high point in the Assembly was their victory in getting the approval of the Assembly for the establishment of a fund which would provide capital for under-developed countries. The item had been passed in committee before Christmas against the strenuous opposition of all the larger potential contributors, including the United States and Canada. It may therefore be a hollow victory. They have won their point of principle, but so long as the West must spend at its present rate for rearmament, the fund will mean nothing in practical terms. Nevertheless, the inability of the "have" countries to dissuade the "have not" countries from voting their project means that we are in for serious trouble in ECOSOC and at future sessions of the Assembly. In fact, aid for under-developed countries will in future stand high on the list not only of economic but of political problems of the Assembly. For essentially it is a political problem as much as an economic one. Realizing they could not stem the tide successfully, the United States delegation were much less active in opposing the resolution in plenary, where it was adopted by a slightly larger majority than in committee.

31. The obvious pre-occupation of the Assembly with political and economic problems has served, in some measure, to divert attention from underlying financial issues. In a sense this might be considered fortunate. In the past, if there have not been resounding successes on the political front, it has always been possible to single out one or more projects, such as the expanded programme for technical assistance, as examples of the kind of economic co-operation that have been nurtured and should be encouraged through the United Nations.

32. Although the record at this session is not entirely negative and there is hope that the expanded programme will attain its objective of $20 million for the next financial period, the continuing demands of re-armament and the other commitments imposed on the United States, United Kingdom, France, Canada and other developed countries as a result of the continuing East-West

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[35] Hernán Santa Cruz, représentant permanent du Chili auprès des Nations unies ; membre de la délégation à la sixième session de l'Assemblée générale.
Hernán Santa Cruz, Permanent Representative of Chile to the United Nations; Representative, Delegation to the Sixth Session of the General Assembly.

conflict and the intensified surge of Arab nationalism, have caused them to protest, with good cause and in good faith, against the efforts of the smaller countries to use their voting strength in the Assembly to obtain increased amounts of economic and financial aid both through the United Nations budget and through extra budgetary programmes. These attitudes have been evident both in the debates in the Economic Committee and in the specific examination of financial issues in the Fifth (administrative and budgetary) Committee.

33. The conflicts that have arisen in this field have tended to exacerbate the feeling of divergency between the larger and smaller countries. In this field, as perhaps in no other, the opportunities for constructive action should be greatest. It would seem desirable for the Western world to decide objectively, dispassionately and in the light of its own broader economic aims and long-term interests how far and how fast it is prepared to go in the direction of meeting the legitimate and responsible economic demands of the smaller countries. If this could result in a considered and concerted policy which would allow us to indicate positively at the beginning of an assembly session the direction in which we would be prepared to go, it might encourage that coordination of aims which would enable us to counter or divert attention from untimely, wasteful and ill-considered schemes that might be advanced by some of the more unreasonable elements in the Assembly.

South Africa and the United Nations

34. South Africa's behaviour in the United Nations has never been exemplary, but this year she has made it more difficult than ever for her friends to support her. After the Assembly had declined to take back the Fourth Committee's invitations to Michael Scott and the Hereros Chiefs, the South Africans took virtually no further part in the work of the Assembly. They attended committee meetings (with the exception of the Fourth Committee) but took hardly any direct part in proceedings and refused to vote on anything in plenary meetings, which they attended only as observers. The South African delegation, however, are hopeful that they will be able to turn over a new leaf at the next session. They plan to be strongly represented and to take steps in the meantime to go at least part of the way towards reaching a satisfactory compromise with the ad hoc committee on South West Africa and with the Indian and Pakistan Governments on the Group Areas Act.

Colonial Problems

35. We were disturbed and concerned to note a growing antagonism between states which have colonial responsibilities and those which have none. Conspicuous among this latter group are those which, having been colonies, have recently achieved independence. The anti-colonial nations are probably right in keeping attention focussed on the goal of freedom and independence for all peoples. Yet the colonial powers have a heavy responsibility to make sure that their colonies are ready for independence before it is granted to them. In this field Canada, with its close friendship for nearly all the colonial powers and its sympathy for nationalist aspirations, is often faced with difficult

decisions. Though the Canadian delegation did not play an active part in these questions they did, generally speaking, side with the colonial powers.

Waiting to Negotiate from Strength

36. It can hardly be denied that this has been as unproductive an Assembly as any in recent years. The Assembly did not do too badly with the items on its agenda, but for obvious reasons the big issues were not directly before it, or were brought before it only incidentally through other items under discussion. There may be a more profound reason for this than lack of leadership or the nature of the subjects which were discussed. It may be, as one member of the United States delegation has suggested to us, that we should not be dissatisfied with marking time this year — and perhaps next year — while the West is building up the strength from which, we maintain, we will one day negotiate with the Soviet Union.

37. There is, I think, something in this idea. It was suggested in Mr. Acheson's presentation of the Western disarmament proposals. But we should not, I believe, be too complacent about postponing year by year the consideration of the big questions and attempts to negotiate outstanding differences between East and West. After all, the Soviet Government no doubt think in terms of negotiating from strength too; and the day may not be so far off when they will begin to put out feelers for serious negotiations while they still have a preponderance of world power in being. The disarmament proposals, and the Soviet reaction to them in the form of alleged concessions concerning inspection and control, may, in the light of history, be judged to be no more significant than other duels in the cold war. But it is perhaps possible than they will be seen as something more significant as the first tentative steps towards that kind of co-operation on which the United Nations was founded, for which it exists, and without which it has less and less meaning.

Questions for the Future

38. On the basis of our experience at this Assembly we suggest that three important issues before this Assembly will probably be before the next. These are:

(a) East-West tension;

(b) The drive of under-developed countries for economic aid;

(c) Colonial problems.

39. The question of East-West tension is no doubt constantly under review and there is perhaps nothing which we can usefully say in addition to what has been said above on this question. As regards the other two problems, we might consider if Canada would make a greater contribution to their solution than we have done in the past.

40. We might ask ourselves what economic sacrifices we are willing to make in order to bridge gaps between the "haves" and the 'have nots" and especially between the Arab-Asian group and the North Atlantic-Commonwealth group. From our efforts to keep in touch with the Arab, Asian and Latin delegations (especially those of Pakistan and India) during this Assembly it became

apparent that the main interest of many of these in the United Nations is the amount of technical and economic aid they will receive. The more aid that is available the more likely they are to vote with us on political questions. The less aid that is available the more likely are they to abstain or vote against us on issues dividing the East and West.

41. On colonial questions we might consider if we could not play a more active role. We are not a colonial power and yet we have close friends in both camps. This might be a field in which we could use our influence to help arrest, if not reverse, the growing antagonism between colonial and non-colonial powers.

225. DEA/5475-DW-14-40

Note pour le chef de la Direction des Nations unies

Memorandum for Head, United Nations Division

[Ottawa,] February 26, 1952

You asked me to make an analysis of Canadian voting in the General Assembly during the *Sixth Session.*[36] I have gone through all the verbatim and summary records which are now available, and have noted the times when the Canadian vote differed from at least one of the Three Powers: The United Kingdom, the United States and France. There were 45 such votes. Canada abstained 19 times in this voting.

All these votes were on roll-call; it is practically impossible to say how any country except Canada voted in a "show of hands" vote. Mr. McCardle[37] tells me that no one observer could be sure of who voted how; it would require several people to take notes. The Canadian Delegation obviously did not have enough personnel to do this. This analysis is therefore limited in this way. It is also limited by the small number of votes in which our vote differed from the three powers in relation to the large number of combinations possible.

I attach a chart showing the 45 votes, and the item with which they were concerned. I have tried to eliminate the procedural votes.

According to these votes:

1. Canada abstained 19 times in this voting. Only twice when Canada abstained did the three powers vote together yea or nay: once on the vote on Administrative Unions; once on a vote on Human Rights.
2. Canada always voted with one of the Three Powers in all other cases.
3. Canada, in voting yea or nay, voted with either United Kingdom or United States on all votes but one (Human Rights), when we voted with France and U.S.S.R. (United Kingdom abstained).

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[36] 6 novembre 1951-5 février 1952./November 6, 1951-February 5, 1952.

[37] J.J. McCardle, Direction de l'Amérique et de l'Extrême-Orient au ministère des Affaires extérieures ; conseiller de la délégation à la sixième session de l'Assemblée générale.
J.J. McCardle, American and Far Eastern Division, Department of External Affairs; Advisor, Delegation to the Sixth Session of the General Assembly.

4. Canada voted with U.K. against U.S. (voting or abstaining) 3 times.
   Canada voted with U.S. against U.K. (voting or abstaining) 8 times.
5. Canada abstained 3 times when U.S. and U.K. agreed (see 1) (the additional instance — freedom of information).
6. Canada abstained with the U.K. 3 times when U.S. voted against U.S.S.R.
   Canada abstained with the U.S. 1 time when U.K. voted against U.S.S.R.
7. Canada abstained 3 times when the U.S. voted against U.S.S.R. and U.K. voted with U.S.S.R.
   Canada abstained 3 times when the U.S. voted with U.S.S.R. and U.K. voted against U.S.S.R.
8. U.S. and U.K. voted differently 26 times in the 45 votes.

I think that the only conclusion that may be reached from the figures above is that Canada, on certain issues, acted with some independence. We very seldom voted differently from one or other of the Three Powers. When we did, we abstained. We never once, on a substantive vote, voted against all three powers. We only once voted against both the U.S. and the U.K. Canada seems to have continued to oscillate between these two countries, when they disagreed.

As Mr. Garson said on the radio last night, we probably abstain to protect our future position (as honest broker?), rather than to indicate disagreement with our friends. As he said, abstention when the facts are not known (or, I might add, when a "policy for the West" has not been made) is the intelligent course of action.

C.F.W. HOOPER

PIÈCE JOINTE/ENCLOSURE

Analysis of Canadian voting in General Assembly during Sixth Session

Items	*Canada*	*U.K.*	*U.S.*	*France*	*Soviet Bloc*
Committee I					
Threats to China	A	A	Y	A	N
Admission of New Members	A	A	Y	Y	N
	A	A	N	A	Y
AD HOC Political Committee					
Indians in South Africa	A	A	Y	A	Y
Committee III					
U.N. and Agencies in Social Field	N	N	N	Y	Y
	Y	Y	Y	A	Y
	Y	Y	Y	N	N
Freedom of Information	Y	A	A	Y	N
	N	Y	N	N	Y
	A	Y	Y	N	Y
	N	N	N	Y	N
Human Rights	N	A	N	A	Y

	N	N	N	Y	N
	Y	N	Y	Y	N
	Y	A	Y	Y	N
	Y	A	Y	Y	N
	A	Y	Y	Y	N
	A	N	Y	Y	N
	A	N	Y	Y	N
	Y	Y	Y	A	N
	Y	A	N	Y	Y

Joint 2nd and 3rd Committee

Status of Women	N	N	N	Y	Y
Discrimination and Minorities	N	N	N	A	Y

Committee IV

Requests for hearings	A	N	A	N	Y
Participation of NSGs. in work of Spec. Ctte.	Y	Y	Y	N	Y
South-West Africa	A	N	Y	Y	Y
	Y	A	Y	A	N
	Y	A	Y	Y	N
Ewe Problem	A	A	Y	A	A
Petitions	Y	A	Y	A	N
Scholarships for Trust Territories	A	A	Y	Y	Y
Participation of indigenous inhabs. of Trust Territories in T.C.	A	N	Y	N	Y
Membership of Visiting Missions	A	A	A	N	N
Time of Attainment of Independence	N	N	N	A	Y
	N	N	N	A	Y
Corporal Punishment	A	N	Y	Y	Y
	A	A	Y	Y	Y
Admin. Unions	A	N	N	N	Y
(On the hearing of Michael Scott — not counted in total	A	A	A	A	Y)

Committee V

Scale of Assessments	A	N	Y	N	N
	A	Y	A	Y	A
Budget Estimates (Public Information)	N	N	Y	N	N

Committee VI

Rights and Duties of States	N	N	N	A	A
	N	N	N	A	N
Reservations to Multilateral Conventions	N	N	A	N	N
	N	N	Y	N	Y

SECTION D

RÉUNIONS POUR DÉTERMINER LA POLITIQUE À SUIVRE
POLICY MEETINGS

226. DEA/5475-DW-14-1-40

Note de la Direction des Nations unies
au sous-secrétaire d'État adjoint aux Affaires extérieures

Memorandum from United Nations Division
to Assistant Under-Secretary of State for External Affairs

SECRET [Ottawa,] March 4, 1952

INTER-DIVISIONAL POLICY MEETINGS

It is expected that Mr. David Johnson will be in Ottawa for four or five days later in the present month at which time it is planned to hold a series of Inter-Divisional Meetings designed to review conflicts in Canadian policies which were evident at the Sixth Session of the General Assembly of the United Nations. At present it is not yet possible to fix a definite date for these meetings but the present indications are that they will be held either in the week beginning March 17 or during the week beginning March 24.

2. Meanwhile, I think you will be interested in reading the attached correspondence which was precipitated by a memorandum of January 11[38] prepared by Mr. Reid, and which was sent to Mr. Johnson on the same date. Mr. Johnson's reply dated January 23[39] is attached, together with a reply dated January 24[40] from Mr. Chipman, to whom Mr. Reid also sent a copy of his memorandum. Attached is also a further letter to Mr. Johnson from Mr. Reid dated February 6[41] and a memorandum dated February 9† addressed to this Division by Mr. Reid.

3. I think you will find a number of the points raised in this correspondence of interest to you. We shall keep in touch with you regarding the definite date for these meetings and you will in due course receive a programme and timetable concerning them. Meanwhile, you may wish to attain [retain] the attached correspondence for reference.

S. MORLEY SCOTT

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[38] Le document 191./Document 191.
[39] Le document 192./Document 192.
[40] Le document 193./Document 193.
[41] Le document 194./Document 194.

227. DEA/5475-DW-14-1-40

Procès-verbal de la première réunion des directions pour déterminer la politique à suivre

Minutes of Meeting 1 of Inter-Divisional Policy Meetings

CONFIDENTIAL Ottawa, March 31 (a.m.), [1952]

Present:

Mr. E. Reid, Chairman
Mr. H.O. Moran
Mr. C.S.A. Ritchie
Mr. R.A. MacKay
Mr. D.M. Johnson
Mr. S.M. Scott
Mr. E.H. Norman
Mr. J.B.C. Watkins
Mr. C.A. Ronning
Mr. A.A. Lay
Miss B.M. Meagher
Mr. H.H. Carter
Mr. J.P. Erichsen-Brown
Mr. J.H. Thurrott
Mr. F.M. Tovell
Mr. R.A. Crépault
Mr. D. Stansfield
Mr. G.K. Grande
Mr. J.E.G. Hardy
Mr. F.W. Stone
Mr. C.F.W. Hooper

The meeting considered the paper of March 28 prepared by the U.N. Division.† Most of the comments made on the first part of the paper (pp 1-3) were reflected in the answers to the "Questions" as shown below. The solution to the problem suggested in paragraph 6 did not meet with favour.

QUESTION 1. Is the policy of attempting to lessen the differences between the western democratic states and the under-developed countries a wise, practical and very important one for Canada?

Yes, but with some qualifications.

It was open to the meeting to decide that (a) more importance than heretofore should be attached to "lessening the differences", and (b) that it should stand relatively higher in the scale of priorities among our other policy aims. The meeting was agreed on (a); not enough importance, for example, had been attached to this policy at the last session of the Assembly. To decide on (b), however, as *Mr. Ritchie* pointed out involved consideration of the other policies with which this policy must be weighed. A decision on this point might be attempted after the other policy meetings had been held.

The Chairman warned against the "market basket" theory — that there was only so much aid we could give, and that we could do no more than decide on its apportionment. There was no defined upper limit to the amount of foreign aid Canada might give; certainly, if there was a limit, Canada had not come close to reaching it.

QUESTION 2. What are those "differences" which affect the formation of Canadian foreign policy?

It was agreed that the following were the principal differences between the policies of the western democracies and of the under-developed countries:

(1) A different view of Communism: to us, it is a threat; to under-developed countries, it is as much a promise as a threat. Also, a different view of western capitalism: to us it is, however imperfect, still a promise. To them it is nearly as much a threat as a promise.

This, of course, was a generalization, and not equally and universally true: it was largely true of Asia, less true of the Middle East, and perhaps least true of Latin America. There were also differences between the attitudes of the ruling classes and those of the other classes.

The Chairman pointed out that there was less resistance to Communism even of the U.S.S.R. variety because it appeared capable of solving some problems of the under-developed countries that democratic systems could not. It was also noted that the Islamic religion tended to resist Communist influences.

(2) A different view of the Russian threat: to us, Russia is the only country to be feared. To most of the under-developed countries, Russia is only one of several foreign powers under whose domination they might come.

(3) A different interpretation of the concept of international sharing of wealth.

It was affirmed that there were three sorts of interpretation: voluntary charity; aid as the duty of a higher authority; out-and-out egalitarianism. Asia, for example, had progressed as far as the second, but hardly as far as the third which was not accepted within the Asian countries themselves. *Mr. Ronning* thought the West had still to rid itself completely of the notion of expecting gratitude for charity. Other factors entered into the differences in viewpoint. *Mr. Scott* noted the time factor; the under-developed countries looked for substantially higher living standards which those now alive would live to enjoy; we thought in terms of half centuries at the least. *Mr. Johnson* suggested that there was a significant element of opportunism in the attitude of the under-developed countries, a realization that the East-West split provided a chance to extract aid from the West as the price of co-operation. *Mr. Norman* thought that to the Asian mind the right of a country to develop its own resources in its own way was as important as the right to Western assistance in doing so. *Mr. MacKay* stressed the importance of Asian hatred of historic western imperialism. (1), (2), and (3) add up, of course, to different notions of the priorities to be given to defence preparations of various sorts.

(4) A different sense of urgency in regard to the abolition of colonialism and other inferior sorts of status; meanwhile, different notions of how metropolitan states should behave, and what the United Nations should do about their behaviour. Detailed discussion of this accepted difference would occur in the

meeting on trusteeship matters. *Mr. Ritchie* thought the point under-emphasized in the paper. Pre-Assembly talks on the point, especially with the French, were recommended.

(5) A different notion of the usefulness and efficacy of written international agreements in the social and humanitarian field. It was agreed that at the last General Assembly this difference showed itself to a considerable extent as one between the "have and the have-not" countries although non-common-law countries (such as France) and sometimes the United States were inclined to stress the importance of written international agreements.

QUESTION 3. Should Canadian policy be to attack the problem along the whole line, or only on selected issues?

The meeting agreed that this question could not be answered by a mere yes or no but was really a point to be borne in mind during the further discussions. *The Chairman* thought that Canada's position might move a little bit on certain issues from one session of the General Assembly to another.

QUESTION 4. Is it sensible, in considering our attitude toward the under-developed countries, to think of them as one group or must we consider each proposal in relation to each country or group of countries?

In general, the meeting thought there were several aspects in which one could not think of the under-developed countries as one group, e.g. technical assistance to Latin America.

QUESTION 7. On the assumption that our general attitude toward under-developed countries is to be conciliatory, which of the following broad approaches should be used? What are their relative advantages? In respect of each, can Canada play a lone hand, or should we move only in step with our usual friends?

(a) Economic assistance. Although this question was not directly discussed it was pointed out by *the Chairman* that we were not really purchasing the support of the under-developed countries but were buttressing social systems which were basically sympathetic to the west.

(b) Support for nationalist aspirations. *Mr. Ritchie* pointed out that political support would have to be given not only in a way that would not impair our defences but would also not impair the prestige and viability of our western allies.

QUESTION 10. Our Delegation has been puzzled [about] how far they should be guided by a legalistic interpretation of the Charter of the United Nations and how far they should resort to political interpretations. What advice can we give them?

The meeting agreed with *the Chairman* that the United Nations Charter, like any other constitution, is usually interpreted in political terms. It was thought desirable that the Canadian interpretation should, like the British, be as consistent as possible (rather than "legalistic") and not follow the United States practice of manufacturing international law to suit existing circumstances or even the current day's policy. It had been originally Canada's interpretation of the Charter that limitations on the power of the United

Nations should be construed narrowly and construed its powers broadly. The provisions of the Charter concerning trusteeship and non-self-governing territories had, however, been an exception. In these clauses — Chapters XI, XII & XIII, — Canada had generally interpreted the Charter in a narrow and rather legalistic manner. ***The Chairman*** thought it would be useful for our delegations at future Assemblies to be informed when particular policies followed by Canada were inconsistent with our general interpretation of the Charter. ***Mr. Erichsen-Brown*** suggested that a list of precedents should be included in the individual Commentary articles.

QUESTION 11. We have adopted a voting practice of abstaining on proposals we dislike which are advanced by our Western friends and of abstaining on proposals we like which are advanced by unfriendly states. Is this voting practice consistent with our long-term interests? Or should we rather accept the idea of voting according to the strict merits of each proposal, regardless of what country sponsors it? Are we justly criticized for abstaining too much?

The meeting noted the fact that at the recent General Assembly the two member states which abstained least were the two dominant ones, i.e. the United States and the U.S.S.R. It was explained that many of the Canadian abstentions at the Sixth Assembly resulted from insufficient time being allowed for the Minister to obtain Cabinet decisions, e.g. the newsprint and wheat questions. When only a few days were available for deciding Canada's position, it was generally not possible to go beyond the opinion of the government department primarily concerned and this usually meant that the immediate Canadian interest was stressed to the detriment of the international aspects of problems which this department might have brought out for Cabinet consideration, had time been allowed. It was agreed that Canada usually had little freedom of action when the United Kingdom and the United States were agreed, but that we had a greater degree of freedom when these two powers were not in agreement: in the latter situation, however, Canada had usually exercised its freedom by abstaining.

The following questions were not dealt with specifically by the meeting, being left for consideration at appropriate meetings during the week:

QUESTION 5. Should we consider the policy of encouraging divisive forces among the under-developed countries in the hope of breaking up what may prove to be a dangerous political bloc?

QUESTION 6. Should our attitude toward the under-developed countries be in general conciliatory, or in general tough, or in general neither?

QUESTION 7. On the assumption that our general attitude toward under-developed countries is to be conciliatory, which of the following broad approaches should be used? What are their relative advantages? In respect of each, can Canada play a lone hand, or should we move only in step with our usual friends?

(a) Economic assistance (On the paper issued for Meeting II appears a list of sorts of economic assistance which have been proposed. At the present meeting, it would be advisable to discuss the degree of economic assistance which ought to be given, e.g.: to the edge of hurting our defences? Or to the extent of sensibly lowering our living standards?)

(b) Support for nationalist aspirations.

(c) Support of covenants on human rights, and like matters involving acceptance of the worthwhileness of international agreements on such matters.

(d) Political support other than the above. Specifically, what? (Policy on admission of new members might be discussed here.)

(e) Propaganda in the under-developed countries.

(f) Establishment of additional missions in under-developed countries, with corresponding desks in Ottawa.

QUESTION 8. If we decide on substantially increased activity in these fields, should we make something of a fanfare about it this summer in ECOSOC and this fall in the Assembly, or should we let our individual votes and speeches speak for themselves?

QUESTION 9. How far is it wise for us to vote for the adoption of and assist in the execution of measures which appeal to under-developed countries but which we think are (at best) unprofitable and (at worst) vicious exercises? Examples: International Development Fund; Convention on Human Rights; Definition of Self-Government; Status of Women. Quite possibly, this question cannot be answered in a general fashion; it might be better merely to bear it in mind in dealing with more specific questions.

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Procès-verbal de la 7^e réunion des directions pour déterminer la politique à suivre

Minutes of Meeting 7 of Inter-Divisional Policy Meetings

CONFIDENTIAL Ottawa, March 31 (p.m.), [1952]

UNITED NATIONS SECRETARIAT PROBLEMS

Present:

Mr. E. Reid, Chairman
Mr. D.M. Johnson
Mr. H.H. Carter
Mr. J.E.G. Hardy
Mr. D. Stansfield
Mr. A.R. Crépault
Mr. F.W. Stone

QUESTION A. 1. Is the "principle of geographic distribution", as applied to the composition of the United Nations staff, consistent with the need for a good permanent staff? (One senior officer of the U.N. Administration told our delegation to the Sixth Assembly that the Secretary General had to have dictatorial powers of dismissal in order to fire efficient employees and replace them with inefficient ones in accordance with the principle of geographic distribution.) If not, is it worth our while to take public issue with this principle?

The Chairman observed that Article 101 (3) of the Charter stated that — "The paramount consideration in the employment of the staff and in the determination of the conditions of service shall be the necessity of securing the highest standards of efficiency, competence, and integrity. Due regard shall be paid to the importance of recruiting the staff on as wide a geographical basis as possible." Geographical distribution was certainly a secondary consideration. It appeared, however, that emphasis was being placed on geographic distribution, even when this was incompatible with efficiency. *Mr. Johnson* pointed out that members of delegations and Secretariat officials were unwilling to admit publicly that they were, in fact, incompatible. To say so implied a low level of ability in the candidates from certain countries; it was an extremely touchy subject. *The Chairman* thought that Canadian delegates, at future sessions when this question might be discussed, could go back to the Charter and remind other delegations that efficiency was the most important criterion.

In the meantime it could usefully be asked how efficient the U.N. staff was now. The sense of the meeting was that it was reasonably efficient but also somewhat top-heavy and generally too large for the job being performed. *Mr. Johnson* remarked that there were large numbers of staff members attending meetings of the Disarmament Commission, many without apparent reasons for being there. *The Chairman* thought it might be useful to make enquiries about them. It might also be useful for the delegation in New York to ask the Chairman of the Advisory Committee on Administrative and Budgetary Questions, or members of that Committee, what they thought about the efficiency of the staff. The internship programme might also give Canada opportunity of obtaining an objective opinion on U.N. staff efficiency. In this connection Messrs. Gow of the Civil Service Commission and Currie of Labour who attended the programme in 1949 and 1951 respectively could be consulted. On the basis of information so obtained we could decide how strong a line it would be appropriate for us to take on the question of efficiency versus geographic distribution.

QUESTION A. 2. Should Canada, under the present special circumstances of the United Nations staff, show more sympathy towards staff demands for guarantees of security, safeguards against arbitrary action by the Administration, etc.? Should we take into account the fact that demands of this kind, even the apparently reasonable ones, may be put forward with the primary aim of causing staff trouble?

There was some general discussion of this question but no conclusions were reached. It was noted that the Secretary General has now undertaken to increase the proportion of permanencies from approximately 30% to 75% or 80%. When this programme is completed, many of the present difficulties will have ceased to exist.

QUESTION A. 3. Should we, under all foreseeable circumstances, maintain our attitude of "hands off" towards any questions involving the relations between Canadian members of the United Nations staff and the United Nations Administration?

There were two types of cases in which the Canadian government might be asked to intervene on behalf of Canadian staff members. The first of these was the type of case in which a Canadian had been dismissed or subjected to disciplinary action. The meeting agreed that in cases of this sort our "hands off" attitude should be maintained; adequate appeals machinery existed within the United Nations organization itself. The second type of case was that of a Canadian whose promotion within the organization appeared to have been unduly retarded. *The Chairman* noted in this connection that many Canadians believed, probably with some justification, that the principle of geographic distribution militated against them in the matter of advancement. It was also considered, by many Canadian staff members, that the fact that Canada did not exert influence on behalf of her nationals, while other countries did, meant that Canadians were in fact being discriminated against. After some discussion it was agreed that cases of this sort were seldom clear-cut and that it would be difficult to alter our policy. It would be better, but perhaps more difficult, to eliminate the possibility of discrimination by persuading other countries not to intervene on behalf of their nationals.

This question also elicited some discussion on the question of communism in the U.N. staff. It was agreed that communism in itself was not a crime on the part of any U.N. staff member, from whatever country he came, and that the activities of officials such as Byron Price, to the extent that they amounted to simple persecution of communists, were highly improper. On the other hand, a *good* communist would, almost by definition, be violating the Charter and his U.N. oath, i.e. taking orders from another authority. It was agreed, however, that it was extremely difficult to produce proof of this sort of thing. Production of proof would of course be necessary if this were to be used as grounds for dismissal.

QUESTION B. Should Canada, joining the have not countries (and perhaps bowing to the inevitable), show more sympathy towards future salary demands advanced on behalf of the United Nations staff, even though by Canadian standards they are not justified? Are Canadian standards a valid basis for considering United Nations salary levels? Should we revise our attitude towards the "escalator principle", as applied to the United Nations salaries?

It was agreed that Canadian delegations should continue to emphasize efficiency, economy, and similar ideals, and to oppose salary increases when they were not justified. The meeting agreed that Canadian standards were not a valid criterion, at least for public opposition to salary demands, but considered that other valid criteria were available and could be applied — e.g. salaries for similar employment in the New York area, salaries sufficient to attract and hold qualified personnel.

229. DEA/5475-DW-14-1-40

Procès-verbal de la 2^e réunion des directions pour déterminer la politique à suivre

Minutes of Meeting 2 of Inter-Divisional Policy Meetings

CONFIDENTIAL Ottawa, April 1 (a.m.), [1952]

ECONOMIC ASPECTS OF CANADIAN POLICY TOWARDS UNDER-DEVELOPED COUNTRIES

Present:

Mr. E. Reid, Chairman
Mr. S.M. Scott
Mr. A.F.W. Plumptre
Mr. E.H. Norman
Mr. J.B.C. Watkins
Mr. C.A. Ronning
Mr. D.M. Johnson
Miss B.M. Meagher
Mr. W.G. Stark
Mr. J.H. Thurrott
Mr. H.H. Carter
Mr. A.R. Crépault
Mr. J.E.G. Hardy
Mr. H.T.W. Blockley
Mr. D. Stansfield
Mr. G.K. Grande
Mr. F.M. Tovell
Mr. F.W. Stone

The Chairman opened the meeting by reading passages from Barbara Ward's book "Policy for the West" in which she develops the thesis that it is quite as important for the countries of the western alliance, in order effectively to contain communism, to spend two or three per cent of their national income to provide economic assistance to under-developed countries, particularly in Asia, as it is to devote some fifteen per cent of it to armaments. The North Atlantic Treaty Organization should lay down its own plans of economic assistance to such countries. Full use should also be made of the Economic and Social Council of the United Nations. Miss Ward suggests that western countries should relate their economic assistance to their anti-depression policies.

Mr. Plumptre commented that two or three per cent of the national income in Canada amounted to about $500,000,000. Assistance of this order of magnitude was not at present within the bounds of practical politics. This amount looked even more unrealistic when considered in terms of the national budget; it represented between ten and twelve per cent of the Government's expenditures for the current year. It was true that in 1946 Canada had made a four-year loan of comparable magnitude to the United Kingdom and smaller loans to a number of other countries, particularly in Western Europe. However, assistance on such a large scale was only possible because of the particular circumstances and state of emotion prevailing immediately after the war, and because of the substantial interest which Canada had in hastening the recovery of its traditional agricultural markets. *Mr. Plumptre* recognized that the rate of assistance suggested by Miss Ward might seem more practicable at a later date if a reduction in defence expenditures should make anti-recession measures desirable.

Mr. Plumptre thought that Miss Ward's recommendation that economic assistance be provided through NATO would be exceptionally difficult to carry out. Under-developed countries were already very suspicious of the imperialist motives of the western countries. Would not their suspicions be considerably increased if assistance was offered to them by an organization grouping in a military alliance most of the former imperialist powers?

Mr. Ronning said that, in Asia, communism could never be contained by military means; the only method at our disposal was greatly increased economic assistance. To be effective, however, economic assistance must be so designed as to meet the real needs of the people. It must reach the villagers, who form the large majority of the population of Asia, and raise their standards of living by increasing agricultural production. Only thus would the people be prepared to resist the attraction of communism and the pressure of communist leaders in their midst. *Mr. Ronning* believed that the real needs of the villagers could only be ascertained by scientific surveys conducted by international organizations well equipped for this work. Officials sitting in Ottawa or even in Karachi or New Delhi were not in a position to carry out this field investigation. Finally, *Mr. Ronning* expressed the view that assistance given by various international organizations and national governments should be better co-ordinated than has been done until now. He thought that the United Nations would be particularly well suited to do the co-ordinating. *Mr. Ronning* illustrated his ideas by referring to the work done by the rural rehabilitation organization under United States auspices in China as one of the few effective forms of economic assistance.

The Chairman, Mr. Plumptre and *Mr. Thurrott*, in reply to Mr. Ronning, explained the steps which were being taken to achieve a better co-ordination of economic assistance in Asia and South-East Asia. Groups were being formed in local capitals to enable representatives of Colombo Plan countries, the United States and the United Nations agencies to discuss their plans of assistance with representatives of national planning boards and thereby ensure a satisfactory measure of co-ordination and avoid duplication and waste. While Canada did not possess the necessary facilities to conduct surveys, it did make use of the findings of international organizations, particularly the International Bank and FAO. *The Chairman* pointed out that although India and Pakistan had embarked upon schemes of industrial development, they had shown increasing appreciation in their plans of the need for rural improvements.

Mr. Scott said that the meeting appeared to assume that the granting of economic assistance represented a desirable and wise policy. He did not believe this had been demonstrated, and was himself not convinced that it was true. He could think of the following types of arguments for Canada helping under-developed countries:

(1) Reasons of politics

(a) Economic assistance would win us friends. *Mr. Scott* thought that at the present stage this proposition was no more than a wishful assumption which might or might not prove to be true. It was unrealistic to expect gratitude; he doubted for example whether Point-fourism had made the United States more popular in Southern Asia, or would draw South Asian countries closer to our camp.

(b) Economic assistance would help contain communism. Perhaps the grass roots type of assistance previously advocated by Mr. Ronning might have some success in meeting this objective. Mr. Scott doubted, however, that industrialization in its early stages discouraged communism; indeed, he suspected the contrary, both from his reading of history and his own observation.

(2) Economic reasons

(a) Economic assistance of the sort and degree now being proposed would raise the standards of living of local peoples. *Mr. Scott* said he was prepared to believe this if the economists and sociologists, on the basis of evidence, told him so. So far they had not.

(b) Economic assistance would help ward off depression in Canada. Mr. Scott had no opinion on this.

(3) Humanitarian reasons

Everyone accepted the importance of these reasons.

(4) Reasons of shame

Canada would not want to be found behind other countries in the amount of assistance which it gave.

On the whole, *Mr. Scott* suggested that while the policy of economic assistance might succeed, and was probably necessary for reasons of domestic politics, it was in fact a gamble. He did not oppose economic assistance. He thought it would do us no harm, but we should realize it might do us no good.

Referring to Mr. Scott's remarks (particularly 1(b)), *Mr. Carter* said that Soviet communism made a powerful appeal to the politically inexperienced peoples of under-developed countries by holding out the promise of economic and social betterment. The West could only withstand this ideological offensive if it could convince the "have-not" peoples that it was able and willing to commit deeds as well as words to the task of improving their lives. In broad terms, it was a question of the West's lending economic and social assistance in return for political co-operation. The formation of NATO had left many of the more articulate people of the under-developed countries with a feeling of isolation and frustration. It was thus more than ever necessary for the West to show that it had not forgotten their problems.

There was discussion of the relative advantages and disadvantages of providing assistance on a bilateral as opposed to a multilateral basis. *Mr. Plumptre* said that the Canadian Government definitely favoured the bilateral approach. In effect, the bilateral arrangements made under the Colombo Plan had proved extremely useful both to Canada and to the recipient countries.

Canadian authorities had been continuously in touch with the Pakistani and the Indians in Ottawa, and the two sides had learned to know each other better. These contacts were undoubtedly helping to bridge the gap between the East and the West. Advantages of this kind would be lost if economic assistance were given on a multilateral basis. The multilateral approach, however, had certain advantages which did not obtain under bilateral arrangements. In particular, the under-developed countries were less suspicious of the motives of the donor countries if assistance was given under the auspices of an international organization. Such organizations were also better equipped than national governments to conduct necessary surveys and to co-ordinate assistance from various sources. *Mr. Plumptre* thought that the ultimate objective might be to find a solution which would combine the advantages of both approaches. He said that this avenue should be carefully explored.

The Chairman personally believed that there would be no insuperable difficulties in setting up an international development agency which would meet the requirements of the recipient countries while protecting the interests of the contributing countries, by using, for instance, such a device as weighted voting.

Mr. Plumptre thought that for the time being the Economic and Social Council should be put to greater use by the Western countries to publicize the amounts and types of assistance that they were already giving. For instance, it might be a good idea if each country submitted an annual report to ECOSOC on its economic assistance activities, as was already being done by the United Nations and the specialized agencies. In this way the Council would have before it at regular intervals a complete picture of the help which under-developed countries were receiving. *The Chairman* suggested that, as a means of focussing attention both abroad and at home on the total size of Canada's economic assistance contributions, these might be included in the estimates as a single vote.

The Chairman summarized the references made by various speakers to the international channels through which Canada was already providing economic assistance or might provide it in future:

(1) The International Bank
  (a) Canada's contribution to the bank's capital;
  (b) Capital recently raised by the Bank through a loan floated on the Canadian market.

(2) The Proposed International Finance Corporation (as an annex to the Bank)

The establishment of this agency was originally recommended by a United Nations group of experts in a report on "Measures for the Economic Development of Under-developed countries." The purpose of the agency would be to make equity investments and loans to private undertakings operating in under-developed countries. ECOSOC at its Thirteenth Session recommended that this proposal be examined by the International Bank. The representative of the Bank on the Council had looked upon it with favour. The ECOSOC recommendation had been supported by all Council members belonging to the Bank. The Bank's report will be examined by the Fourteenth Session of ECOSOC in May, 1952.

(3) The Colombo Programme

Canada's contribution under the Colombo Programme was greater proportionately than that of the United States under its "Point Four" Programme in South and South-East Asia. *Mr. Plumptre* said that in the light of the recent debate in Parliament on economic assistance to under-developed countries, it might be possible to obtain approval for a larger contribution to the Colombo Plan next year. Such an increase would not have been possible this year because a large portion of the money authorized last year could not be spent during the financial year. *Mr. Plumptre* thought that a first memorandum suggesting an increased contribution might go to the Minister in two or three months' time.

(4) The Expanded Programme of Technical Assistance of the United Nations and Specialized Agencies

(5) The Proposed International Development Fund

The last part of the meeting was devoted to a discussion of the attitude which the Canadian delegation should take at the forthcoming session of ECOSOC on the question of the establishment of an international development fund. *Mr. Johnson* remarked that Canada had incurred more odium at the General Assembly for its negative attitude towards this proposal than in any other connection. The meeting agreed that Canada's attitude towards this question would be of considerable importance in attempting to convince the under-developed countries of the genuineness of our intentions to assist them.

Mr. Hardy said that the questions before the meeting had been framed in the hope that answers to them might provide a more rational basis for future action and a more effective justification of our past policies. He stressed that only by presenting a frank and positive explanation of our past policies and by being prepared to listen to the proposals of the under-developed countries concerning the international development fund, and fully to express our views on the type of international machinery which eventually might be acceptable to us, would we be successful in promoting true understanding and friendship between us and the under-developed countries. He thought that if we were to repeat the same negative arguments as before or to refuse to co-operate in ECOSOC, the under-developed countries would probably go ahead and produce a plan of their own, which, though containing impracticable and unacceptable features, would eventually be adopted. Such a plan could not be put into effect in the absence of any contributions, but the political damage done in the process of working it out would be very serious indeed. *Mr. Hardy* suggested that we might agree to participate in the ECOSOC discussions on a conditional basis, stating at the very beginning of the meeting that our participation did not imply any commitment on our part to support the setting up of the international development fund or to contribute to it. The resolution adopted by the Sixth Session of the Assembly already recognized that participation in the framing of the plan did not commit governments to contribute.

The Chairman pointed out that there could not be complete agreement in the meeting on the basic principles raised in the questions before it. It would not be possible, in the little time before the opening of the ECOSOC session, thoroughly to review the Canadian policy towards this problem and to effect any radical change in it. The best procedure that could be followed for the present was:

(a) to consult with the United Kingdom and United States to find out whether their governments intended to take part in the ECOSOC discussion. Mr. Johnson undertook to do this. If the United Kingdom and United States were definitely opposed to taking part there would be no point in Canada's deciding to play an active role;

(b) once we knew of the attitude of the United States and United Kingdom, to consult with the other Canadian departments concerned in order to determine what attitude the Canadian delegation should take.

The meeting agreed to this procedure.

230. DEA/5475-DW-14-1-40

Procès-verbal de la 2ᵉ réunion (2ᵉ partie)des directions pour déterminer la politique à suivre

Minutes of Meeting 2 (Second Part) of Inter-Divisional Policy Meetings

CONFIDENTIAL Ottawa, April 1 (p.m.), [1952]

SOCIAL ASPECTS OF CANADIAN POLICY TOWARDS UNDER-DEVELOPED COUNTRIES

Present:

Mr. E. Reid, Chairman
Mr. D.M. Johnson
Mr. H.O. Moran
Mr. S.M. Scott (for question 3 ff)
Mr. J.B.C. Watkins
Mr. E.H. Norman
Mr. C.A. Ronning
Mr. H.H. Carter
Mr. J.P. Erichsen-Brown
Miss B.M. Meagher
Mr. H.T.W. Blockley
Mr. W.G. Stark
Mr. F.M. Tovell
Mr. J.E.G. Hardy
Mr. C.F.W. Hooper
Mr. A.R. Crépault
Mr. F.W. Stone
Mr. D. Stansfield

QUESTION 7. On the assumption that the three existing relief agencies of the United Nations (UNICEF, UNRWAPR, and UNKRA) represent one means of offsetting the inroads of Communism in the countries in which they operate, are we prepared to adopt a more sympathetic attitude toward any extension of their activities? Are we prepared to support any future increase in the number of such agencies if this should prove necessary and desirable? Are we prepared to pay the price required by such an extension of activities or increase in number?

In examining this question the meeting paid particular attention to Canadian policies with regard to contributions to UNRWAPR, UNICEF and UNKRA.

At *the Chairman's* request Mr. Hardy outlined the present position concerning the Department's proposal that Canada make a contribution of $750,000 to UNRWAPR for the year ending June 30, 1952. The Department of Finance had not disagreed with this proposal, but had suggested certain conditions or safeguards which, in effect, would alter the character and lessen the amount of our contribution and would have certain political implications which could not be ignored. These conditions were that:

(a) The Canadian contribution would be directly related to the share assumed by countries (other than the United States, the United Kingdom and France) which have responsibilities and interests in the area comparable to Canada's;

(b) The rate of release and the nature of the Canadian contribution would be subject to agreement between the Canadian Government and the Director-General of the Agency;

(c) Provision for the contribution would be made in the supplementary estimates for 1952-53 rather than in the final supplementary estimates for 1951-52 in order to enable us to maintain "direct control" over the Canadian contribution.

If these conditions were to be applied, the Canadian contribution at the present stage of negotiations would not amount to more than $125,000, and would be released only if the Canadian Government were fully satisfied that the Agency's projects received the full support of the Arab Governments concerned.

Mr. Stansfield said that the Department of Finance had also raised objections to the Department's proposal for a contribution of $500,000 to UNICEF. Contending that UNICEF should cease to exist by the end of 1953, Finance had recommended that our contribution should be reduced this year by $100,000 and further reduced next year, to serve notice of our expectation that UNICEF would cease operations once its present lease on life has expired. *Mr. Stansfield* thought that by accepting Finance's thesis we would be formulating a new policy and pre-judging our position when UNICEF comes up for review in 1953.

Mr. Tovell stated that our contribution to UNKRA was more than adequate at the present time. Until a couple of months ago, it was the largest single paid-in contribution from any United Nations Member.

The meeting then examined the various principles raised by Finance in connection with our proposed contribution to UNRWAPR. On the question of the tying of the Canadian contribution to those of other countries, it was agreed that the practice was not objectionable insofar as it was intended to ensure that our contribution bore a reasonable relationship to those of other countries and to induce them to contribute. The matching formula used in specific instances, however, should be flexible and should not be so construed as to defeat in part the purposes for which the contribution had been approved by the Cabinet. *Mr. Hardy* referred to the matching formula used to determine our contribution to the 1952 technical assistance programme of the United Nations, as an illustration of a matching formula which was too rigid. Because the United Kingdom had reduced its contribution by some $868,000, Canada had automatically cut its own contribution by $100,000 even though the under-developed countries themselves had pledged an amount roughly the same as last year. The main purpose of the matching formula here should have been to ensure that the under-developed countries would carry their full share of the burden.

On the question of the Canadian Government's reserving the right to control the rate of release of its contribution, depending on performance by the agency, the meeting agreed that this should not normally be resorted to. There was already sufficient international machinery to ensure that the Canadian contributions would be used for the purposes for which they had been sought. To the extent that standards of performance of the agency were unsatisfactory the agency would expose itself to criticism in the international organ concerned and would lose the confidence and support of Member States. If additional guarantees and safeguards were really necessary they should be worked out on an international basis. Final judgment as to when, how and in what direction an agency should spend its money should not normally be left in the hands of any one government. *The Chairman* thought that a very strong argument had been advanced against the use of the practice proposed by Finance. He stated that while the practice was generally undesirable there might conceivably be certain circumstances under which we might wish to have recourse to it.

The meeting agreed, in discussing the question of tying Canada's contributions to purchases to be made in Canada, that our position must be consistent and that we must not force commodities on a relief agency in contravention of its approved programme, or when we ourselves were criticizing the part of the programme in which those commodities would be used. It had been suggested, for instance, that our contribution to UNICEF should be made largely in fish oil while at the same time we were urging UNICEF to decrease its relief activities and embark more upon long-range projects. The Department of Finance had rightly pointed out the inconsistency of this suggestion.

Mr. Crépault remarked that lateness in making our contributions had the effect of considerably reducing their political value. It was agreed that every effort should be made in future to obtain approval for Canadian contributions in good time.

The meeting also discussed the question of how we should vote on resolutions approving relief programmes when decisions to contribute to such programmes had not yet been reached. *The Chairman* said this was a most difficult problem. The Cabinet felt that the oratory of Canadian delegates at international conferences in support of good works resulted in a moral commitment to contribute and thus limited the freedom of action of the government. One solution was to abstain on a resolution, for financial reasons; another one, which was adopted in the case of the Blandford plan, was to vote in favour of the programme while reserving the Canadian position with respect to its financial aspects. Canada had at various times made use of these two solutions but they represented equally uncomfortable positions. The meeting agreed that the most desirable solution was to encourage other delegations to behave responsibly, and attempt to ensure that resolutions were not so worded as to involve us in any moral commitments.

Another proposition which was examined by the meeting was the possibility of creating an international relief fund. This fund might be used to finance the activities of all U.N. relief agencies and to meet emergency relief situations. A parallel consolidated relief fund would be set up in Canada, out of which our annual contributions to the international fund would come. Such a fund would also provide a means whereby a contribution could be made at short notice to some emergency relief project (e.g. earthquake in Ecuador), when, if full political capital was to be gained, speed was of the essence.

QUESTION 3. The General Assembly has decided that there shall be two Covenants on Human Rights, one for civil and political rights and the other for economic, social, and cultural rights. Really favouring neither idea, we have not hitherto been active in the formulation of the covenant. Should we now take a more active and positive part at least in the formulation of the first covenant with a view to making it as unobjectionable as possible from our point of view?

The meeting noted that the Minister of Justice now appeared to be of the opinion that it was inevitable that Canada would eventually have to sign a Covenant on Human Rights. *The Chairman* took it that this meant that the Minister of Justice now considered it inevitable that Canada would both sign and ratify, but would hope that the evil day might be put off as long as possible. It followed that while we need not hasten, we should nevertheless take a more active part in ensuring that both covenants would be as unobjectionable as possible from our point of view. To this end it might be hoped that we would receive a greater measure of co-operation from the Department of Justice.

The meeting noted that an international covenant was not synonymous with a national Bill of Rights; the existence of an international covenant might in fact make it easier to oppose the introduction of a national one.

QUESTION 4. In view of the importance which under-developed countries attach to a Covenant on Economic and Social Rights, should we maintain our opposition to the drafting of a covenant on these rights?

The Chairman believed that the position now taken by the Minister of Justice applied to *both* covenants.

QUESTION 5. What are the objectives of the under-developed countries in pressing for a Covenant on Economic and Social Rights? Would our signature to such a covenant mean that we will be faced with even stronger demands from under-developed countries for economic assistance in order that they might be able to live up to their commitments under such a covenant?

Mr. Johnson believed it was the Minister of Justice's view that this was in fact one of the objectives of the under-developed countries, or at any rate that whether it was a conscious objective or not our signature to a covenant on economic and social rights would be fo'lowed by increased demands for economic assistance. The meeting agreed that there was perhaps something to this theory.

QUESTION 6. Can and should we sign Covenants on Human Rights by which we assume obligations which we cannot implement because certain of the rights included in the covenants lie outside the jurisdiction of the Federal Government or may not be compatible with the nature of our legal systems (common law and civil code)?

Our view in the past had been that it would be difficult if not impossible to draft at least an economic and social covenant which would be enforcible in a court of law. *The Chairman* believed that this might actually make it easier for Canada to sign. It was rather like a long-term programme adopted by a political party — a useful statement of objectives which were valid enough, even though it might take a generation or more to reach them.

The Chairman thought it would be useful to resurrect the Inter-departmental Committee on Human Rights as it could be assumed that our delegation of ECOSOC would have to face some of these problems.

It was considered that a decision on the necessity for introducing a federal state clause could be postponed until the covenant was drafted. *Mr. Erichsen-Brown* said that he himself was not convinced of the need for a federal state clause. Existing laws, federal and provincial, did not appear to conflict with the first 18 articles of the covenant as at present drafted.

Some discussion followed on the question of the obligation, moral or otherwise, on the Federal government to disallow new provincial legislation if it was in conflict with an international covenant to which Canada was a party. In this connection there was an important difference between a federal state clause referring to "legislative jurisdiction" and one referring to "jurisdiction" alone. It was unlikely that we could get the word "legislative" included. There was some discussion of the desirability of making reservations to cover our particular constitutional difficulties, if we were unable to secure the inclusion of a satisfactory federal state clause. No firm conclusions were reached, it being the opinion of the meeting that some of the technicalities involved could best be dealt with by an inter-departmental committee.

231. DEA/5475-DW-14-1-40

Procès-verbal de la 8e réunion des directions pour déterminer la politique à suivre

Minutes of Meeting 8 of Inter-Divisional Policy Meetings

SECRET Ottawa, April 2 (a.m.), [1952]

DISARMAMENT QUESTIONS

Present:

Mr. R.A. MacKay, Chairman
Mr. E. Reid
Mr. D.M. Johnson
Mr. C.S.A. Ritchie
Mr. H.H. Carter
Mr. A.R. Crépault
Mr. D.H.W. Kirkwood
Mr. C.F.W. Hooper

I. SECRET SESSIONS

Mr. Johnson asked what was meant by secret sessions and how participants in such sessions could be kept from revealing what went on in them. He pointed out that it would be difficult to release communiqués after each session as most of the time would have to be spent on them. *Mr. Reid* said that secret diplomacy meant that positions of delegations were kept secret in order that they might be able to retreat from them. He suggested that the Disarmament Commission should go underground and that the Chairman should make a statement that no communiqués or statements would be released until the date of the Commission's first report. He also pointed out that Mr. Hickerson of the United States agreed with Canada on the question of secret sessions and that we were to press the United States' representative on the Commission. It was agreed that Mr. Johnson would see the Minister on this question.

II. PLAN OF WORK OF THE DISARMAMENT COMMISSION

Mr. Johnson suggested that on the plan of work we should wait to see what was proposed by the United States paper. This was agreed to. It was expected that the United States Working Paper would be available in Ottawa on April 3.

It was agreed that a liaison officer should be sought in the Department of National Defence, so that we would be in a position to produce comments on conventional armaments proposals before the Commission. Defence Liaison Division should try to see whether a similar officer could be found in the Defence Research Board for questions of atomic energy control.

III. INSTRUCTIONS TO THE CANADIAN REPRESENTATIVE ON THE DISARMAMENT COMMISSION

Mr. Reid stated that he thought that it would be essential to have instructions prepared for the Canadian representative on the Disarmament Commission, since the Canadian approach differed somewhat from that of the

United States on certain points with particular respect to insistence on the majority plan for atomic energy control. This paper should be brief and in very general terms. It should contain the general attitude of the Canadian Government agreed to by the Department of National Defence and by the Minister. For example, the instructions should state that Canada considers that the Disarmament Commission should not be used as a propaganda forum, that proposals other than disarmament and atomic energy control should not be discussed in it and that its public sessions should be kept to a bare minimum. The instructions might perhaps also include Canadian policy on what departures might be made from the General Assembly plan on atomic energy control. *Mr. Reid* pointed out that these instructions should look forward to agreement which might be reached in 1956 rather than in 1952 since the former date was about the earliest time that a disarmament agreement could be worked out.

Mr. Reid suggested that Mr. George might be given the job of preparing a first draft of the instructions. *Mr. Johnson* agreed and suggested that Mr. George might come to Ottawa for a week or two in order to prepare them. *Mr. Reid* said that, in the meantime, Defence Liaison Division should try to find out the nature of the instructions which had been given to the United Kingdom representative on the Disarmament Commission. He thought that this might be useful to us in preparing our own.

It was also agreed that Defence Liaison Division should keep the Department of National Defence fully informed as well as the Defence Research Board.

IV. NEXT MEETING

It was agreed that another meeting should be held after the United States' Working Paper on disclosure and verification had been studied.

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232. DEA/5475-DW-14-1-40

Procès-verbal de la 6^e réunion des directions pour déterminer la politique à suivre

Minutes of Meeting 6 of Inter-Divisional Policy Meetings

CONFIDENTIAL Ottawa, April 2 (p.m.), [1952]

POST MORTEM

Present:

- Mr. E. Reid, Chairman
- Mr. D.M. Johnson
- Mr. H.O. Moran
- Mr. S.M. Scott
- Mr. J.K. Starnes (for paras I to IV)
- Mr. J.J.M. Côté (for paras I to IV)
- Mr. J.J. Hurley (for paras I to IV)
- Mr. J.E. Thibeault
- Miss E.P. MacCallum
- Mr. R.A. Crépault

Mr. H.H. Carter
Mr. J.E.G. Hardy
Mr. D. Stansfield
Mr. C.F.W. Hooper
Mr. D.R.C. Bedson

I. HOTEL ACCOMMODATION

The Chairman remarked that he assumed we would go on trying to get away from the Biltmore. The Permanent Delegation should be asked once more to canvas other hotels for rates and accommodation available, assuming for this purpose that requirements would be approximately the same as a year and a half ago. Meanwhile it might be worthwhile finding out whether the Minister was still as opposed as ever to the Biltmore. *Mr. Moran* remarked that the perennial difficulty had been the fact that the Biltmore offered rates so much more attractive than anyone else's, and had even been willing to match the bid of any other hotel which threatened to offer more favourable rates.

II. TRANSPORTATION

The Chairman remarked that the transportation problem for the next session would not be serious, since the meeting place would not be more than a ten minute walk from the delegation's quarters. Surprise was expressed that six cars had been made available in Paris, despite the proximity of the Palais de Chaillot to the Hotel Raphael. *Mr. Moran* thought we should be very cautious about the number of cars provided; car expense at conferences always raised suspicion in the minds of Treasury Board members. The number of cars should be small. The cars should be pooled; there should be no question of assigning individual cars to Ministers or senior delegates.

III. SUPPLIES

Mr. Crépault said that supplies for the session in Paris had been excellent. He remarked, however, that dictaphones need not be provided, since it had been found that delegation members simply did not use them. There was some discussion about the possible need for another teletype machine for the next Assembly. *Mr. Starnes* thought that the present equipment should be adequate to handle the traffic in the seventh session of the Assembly, with some increase in staff. *The Chairman* observed that with the Minister present there [would] be less need for teletypes. *Mr. Starnes* believed that teletype traffic could be greatly reduced by increased use of the courier service.

IV. CLERICAL PERSONNEL

Mr. Côté said it had been suggested that two stenographers be replaced by two typists on the delegation staff. *Mr. Crépault* believed that eight stenographers and two typists would be the ideal complement. *Mr. Côté* said that this could be done for the next Assembly.

V. DATE OF APPOINTMENT OF DELEGATION

Mr. Johnson recalled that Senator Hurtubise had complained that not enough time had been allowed for necessary arrangements before the session.

The Chairman observed that for decades delegations had been appointed late, and that this fact had little or no connection with the date on which recommendations had been made by the Dept. He doubted whether anything could be done about it. *Mr. Moran* remarked, however, that we could at least give advance notice to members of the Department who were on the list, particularly those at Missions abroad as Cabinet was unlikely to make changes in departmental nominations.

VI. ADVANCE WORK BY SECRETARY

The meeting agreed that it would be desirable for the Secretary of the delegation to report to Ottawa if possible six or eight weeks before the session, in order to assist and co-ordinate the work of the various divisions concerned with administrative arrangements for the Assembly.

VII. PRIVATE CITIZENS AS DELEGATES

Mr. Johnson spoke of the difficulties encountered at the Sixth Session in connection with the appointment of a private citizen (Mrs. R.J. Marshall) as a full delegate who was expected to make statements of government policy which sometimes conflicted with her private views. It was agreed that a memorandum on the difficulties and disadvantages involved in appointments of this sort should be sent to the Minister.

VIII. PARLIAMENTARY "OBSERVERS" OR "ADVISERS"

Mr. Johnson said that one difficulty at the last session lay in the feelings of government party advisers who found themselves in an inferior position to government party delegates. There was also the difficulty of advisers expecting to be called upon for advice; it was sometimes embarrassing when advice had to be rejected by members of the delegation other than cabinet ministers. The meeting agreed that subject to the Minister's concurrence the term "observer" should replace the term "adviser". It would continue to be the practice, of course, to have observers attend the morning delegation meetings, where they would be perfectly free to make any observations they wished. *Mr. Moran* thought it would be advisable to give parliamentary delegates, alternates, and observers a clear statement of the relative positions and duties of each member of a delegation, so that there would be no possibility of misunderstanding. This could perhaps be done in the letters sent to members of parliament inviting them to be members of a delegation. It might also be desirable to advise members of parliament, without specific duties on the delegation, to concentrate on one or two committees as the best method of obtaining the maximum benefit from their attendance at the session.

IX. STATUS OF CANADIAN PERMANENT REPRESENTATIVE TO THE U.N.

It was agreed that the Canadian Permanent Representative should normally be a full delegate in accordance with the practice followed by other countries, and that this should be recommended to the Minister for the Seventh Session.

X. TITLE OF DELEGATION SECRETARY

It was agreed that the "Secretary General" of the delegation should in future be called the "Secretary", as more accurately describing his duties. *Mr. Crépault* observed that the only reason for the longer title had been that it evoked more respect from members of the U.N. Secretariat and that this was sometimes an advantage. *Mr. Scott* suggested "General Secretary".

XI. UNDER-STAFFING OF DELEGATION

It had been suggested by the Minister and by Mr. Lesage that the delegation to the Sixth Session was, if anything, under-staffed. *Mr. Johnson* said that the staff was largely inexperienced and *Mr. Moran* remarked that it was a matter of quality rather than of quantity. *Miss MacCallum* thought there were enough advisers to look after all the committees, but that the experience of the delegates was the important thing. *Mr. Johnson* did not believe that any more career personnel were needed on delegations.

The Chairman thought there was more work to be done at the end of a session, when there were often fewer staff members available. It was noted, however, that members arriving half way through a session found themselves at a disadvantage.

The meeting agreed with *the Chairman's* view that when delegates were absent alternates should be accredited as full delegates and, if appropriate, advisers should become alternates.

Mr. Moran asked whether there was any objection to having Foreign Service Officers "complete their training" by being made members of the delegation. It was agreed that there was no objection to this practice, although if such officers were only observers, and particularly if they attended only for short periods, they should not displace effective members of the delegation. In any event, the best method for an officer to acquire training was for him to do a job on the delegation.

XII. ALLOCATION OF MEMBERS TO COMMITTEES

Mr. Johnson said that the allocation proposed by the Department for the Sixth Session had been followed and had proved satisfactory. It was agreed that the Department should have a representative on the Fifth Committee. The suggestion was made that an officer from Ottawa, with some prior knowledge of Fifth Committee subjects, would be the best choice.

XIII. LIAISON WITH OTHER DELEGATIONS

Mr. Johnson said that the suggestion made by the Department had not been carried out. The adviser on each committee had had to be responsible for necessary liaison work, while any plenary session liaison was done on an ad hoc basis. *The Chairman* suggested that in the first two weeks of a session it might be possible to assign liaison work among members of the delegation.

Mr. Moran referred to a recommendation he had made to the Minister that one Spanish-speaking officer be assigned to the delegation with the sole duty of maintaining close contact with Latin American representatives. This would be particularly valuable to our representatives in Latin America in that it would advance the cause of Latin American-Canadian friendship. It would also prove helpful to the Delegation. *The Chairman* suggested that a similar liaison officer might be considered for the Arab countries. *Mr. Johnson* said that the last delegation had not had a great deal of contact with delegations outside the Commonwealth and NATO.

XIV. THE CHIEF OF STAFF

Mr. Johnson said that the memorandum prepared by the Department on the duties of the delegation's Chief of Staff had proved useful. He undertook to revise it before the next session.

XV. PRE-ASSEMBLY TALKS

These had been on a rather smaller scale than on previous occasions, largely because the United States representatives, immediately before the Sixth Session, still had no specific instructions on many issues.

The meeting agreed that Canada could not take the initiative in suggesting broadening the attendance at pre-Assembly discussions which were undertaken by the United States, the United Kingdom and France.

The Chairman believed it would be desirable for us to make up our minds as soon as possible on specific problems which were bound to come up in one form or another at the next Assembly, such as Morocco, and Tunisia or a "deal" on the admission of new members. This would greatly increase the value of any pre-Assembly talks in which we participated. It should be remembered, of course, that we were not committed to support any one else's resolution, simply because in pre-Assembly discussion we had succeeded in having desired changes made in it.

XVI. EDITOR OF THE COMMENTARY

The meeting agreed that the editor should be designated by U.N. Division at as early a date as possible, and in any event some two months before the session.

VII. FORM OF THE COMMENTARY

Mr. Johnson said that the delegation in Paris had considered the commentary a well-prepared and very helpful document.

It was agreed that the practice, followed in 1951, whereby instructions prepared for the ECOSOC delegations, together with their reports, formed the main part of the Commentary for the Assembly delegation in respect of the work of the Second and Third Committees, should again be followed in 1952.

The meeting agreed that in future, efforts need not be made to prepare policy guidance sections of the Commentary until the specific proposals with which the delegation would have to deal were known. This applied particularly to cases where reports of Commissions had not yet been received. In the past, efforts had sometimes been made to prepare papers which covered all possible contingencies. This was wasteful of effort, and it sometimes turned out that the proposals finally made had not been foreseen.

XVIII. SECURITY CLASSIFICATION OF COMMENTARY

The meeting agreed that the Commentary should continue to be graded "secret."

XIV. REPORTING OF DELEGATION

There was some discussion on the question of returning to the practice of sending daily delegation reports. The meeting agreed that the next Commentary should contain an article giving detailed instructions on the question of reporting.

XX. SUBJECT FILES

A memorandum from European Division,[42] submitted before the meeting, suggested that special subject files should be prepared containing the actual texts of resolutions voted on in committees and plenary, showing Canada's position and, as far as possible, the manner in which various states or groups of states had voted. It was pointed out, however, that there should be no serious problem of this sort in New York. The Permanent Delegation's files were always moved to the documents office of the Assembly delegation, and they usually contained, in fairly accessible form, the material desired.

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[42] L'original porte la mention suivante :The following is in the original:

> Apparently the suggestion from European Division was to the effect that reference files (by subject according to agenda items) be made, starting from the beginning of U.N. to contain records of all resolutions and votes on that subject. This of course would be a tremendous task, and it appears to have been the feeling of the meeting that it was hardly necessary since the files of the Permanent Delegation were available for reference on past decisions and during the session, the delegation documents room, and also the advisers, keep records of this information for the Assembly then in session. M.Q. D[ench]

233. DEA/5475-DW-14-1-40

Procès-verbal de la 3^e réunion des directions pour déterminer la politique à suivre

Minutes of Meeting 3 of Inter-Divisional Policy Meetings

CONFIDENTIAL Ottawa, April 3 (a.m.), [1952]

TRUSTEESHIP AND NON-SELF-GOVERNING TERRITORIES

Present:

- Mr. E. Reid, Chairman
- Mr. C.S.A. Ritchie
- Mr. D.M. Johnson
- Mr. C.A. Ronning
- Mr. S.M. Scott
- Mr. J.B.C. Watkins
- Mr. J.P. Erichsen-Brown
- Miss E.P. MacCallum
- Mr. H.H. Carter
- Mr. A.R. Crépault
- Miss A. Ireland
- Mr. C.F.W. Hooper
- Mr. D.R.C. Bedson

I. *Trusteeship*

1. QUESTION POSED. In the United Nations a serious difference of opinion exists between the administering powers and the non-administering majority regarding the role of the U.N. in supervising the evolution of dependent peoples to self-government. This difference of opinion is particularly strong concerning the interpretation of Chapter XI of the Charter dealing with "non-self-governing territories". In regard to Chapters XII and XIII of the Charter (trust territories) the difference of opinion relates rather to the *degree* of supervision which the Assembly *should* exercise, than to the *right* of the Assembly to concern itself with these peoples. None of the administering powers disputes that Article 87 gives the Assembly (and the Trusteeship Council) certain broad powers of supervision in regard to trust territories. The question is *how* the Assembly should exercise these powers. In the past, Canada has generally supported the view of the administering powers that the Assembly should exercise its functions under Chapters XII and XIII only in a very broad manner, leaving to the Trusteeship Council the detailed supervision of the trust territories. This position is opposed by a considerable number of the non-administering states, probably a majority of the Assembly, who wish the Assembly to intervene on matters of detail. Should Canada maintain the position we have previously adopted regarding the role of the Assembly in trusteeship questions?

The Chairman said that the Charter was quite clear on the relationship between the General Assembly and the Trusteeship Council. Article 85 gave the Assembly general authority over trusteeship agreements. Article 87 clearly put the Trusteeship Council under the authority of the Assembly. The question was whether it was wise for the Assembly to attend to details of the administration of trust territories, or whether the Trusteeship Council should do this. He pointed out that the administering powers had half the votes in the Council, but were outvoted in the Assembly. He thought that the Council was better fitted to discuss questions of detail, while general questions of principle should be decided by the Assembly. It was generally agreed that, while the Assembly was free to discuss all trusteeship questions, Canadian policy should continue to be to support the administering powers in their contention that the Assembly should exercise its powers under Chapters XII and XIII of the Charter in matters of general interest only, and that questions of detail should be left to the Trusteeship Council, where it was possible to reach a greater measure of agreement.

2. QUESTION POSED. Should Canada seek election to the Trusteeship Council in the near future? If so, is there any likelihood of our being elected?

It was generally agreed that Canada should not seek election to the Trusteeship Council. *The Chairman* said that if Canada were to become more active in trusteeship questions, this activity should be increased gradually and should not start with Canada's suddenly seeking election to the Trusteeship Council. *Mr. Carter* said that Canada had, in any case, very little chance of election since the United Kingdom, Australia and New Zealand were permanent members of the Council.

II. *Non-Self-Governing Territories*

3. QUESTION POSED. In the past, Canadian representatives have stressed that the Charter makes a clear distinction between trust and non-self-governing territories and that the Assembly has a much more limited function in regard to the latter (under Chapter XI) than it has concerning the former (under Chapters XII and XIII). There is a constant drive at the Assembly by the non-administering majority to assert the doctrine of "international accountability" in regard to *both* types of dependent territories. This drive has taken the form of trying to blur the distinction between Chapter XI, and Chapters XII & XIII. In particular, the non-administering powers have pressed the argument that the Committee on Information from Non-Self-Governing Territories should discuss *political* information from the territories concerned. In the past, Canada has tended to oppose this argument and has adhered to the text of Article 73 (e), which does not mention the submission of political information. Should we continue to maintain this position? (It should be noted that Article 10 gives extremely broad powers of discussion to the Assembly. Article 73 (a) also mentions the responsibilities of the administering powers in furthering the *political* advancement of the peoples of the non-self-governing territories.)

On the legal question of whether the General Assembly could discuss political questions in non-self-governing territories, *Mr. Erichsen-Brown* observed that the opening words of Article 73 are "members of the United Nations which *have* ..... responsibilities ..... etc." The article might well be construed restrictively in favour of a colonial power upon the basis that it detracted from its rights which existed at the date the Charter came into force and which were founded on the principle that the colonies were within its domestic jurisdiction. *The Chairman* admitted that such would be the normal interpretation of a treaty. However, Mr. St. Laurent had said, when he was Secretary of State for External Affairs, that Canadian practice should be to support a broad construction of the Charter where it extended the powers of the United Nations, and a narrow construction of the Charter where it limited the powers of the United Nations. *Mr. Erichsen-Brown* pointed out that on the other hand, Article 73 referred to a "sacred trust"; a trust implied that an accounting for the trust must be made to some authority, if the principles of common law were to be applied. *The Chairman* pointed out that the discussion of any question within the scope of the Charter was permitted to the General Assembly by Article 10. Under Article 14, the Assembly was given power to recommend measures for the peaceful adjustment of any situation, *regardless of origin*, which it deemed likely to impair the general welfare or friendly relations between nations. These provisions apparently gave the Assembly the power to discuss any question it chose dealing with non-self-governing territories. However, it might be necessary to place an item on the agenda in order to allow for such discussion, apart from the submission of non-political information under Article 73 (e). *Mr. Johnson* said that if Canada was prepared to support this general view, or the inclusion of any item on the agenda relating to political conditions in a non-self-governing territory, we should tell our friends that we were intending to take this line. He wondered how the Assembly could get information on such political conditions as there was no obligation on the administering powers to supply it. He feared that we might get on the slippery slope to the international accountability of the administering powers for political conditions in their territories. In any case, he thought it would be difficult to hold discussions on questions about which the Assembly had not been supplied with facts. *The Chairman* said that there were precedents for discussion under Articles 10 and 14 of questions alleged to be within domestic jurisdiction. *Miss MacCallum* said that it would be inconsistent if such questions could be brought before the Assembly, and not colonial questions. Mr. St. Laurent had said at San Francisco that wherever human rights were imperilled, the Assembly would have the right to discuss the situation.

It was agreed that the Committee on Information from Non-Self-Governing Territories (under Article 73 (e)) was not entitled to ask for information on political conditions, unless such information was voluntarily submitted by an administering power.

The Chairman suggested, and it was agreed, that it would be helpful if the Legal Division would prepare a paper which went thoroughly into the questions which had been raised under this heading.

The Chairman said, and it was agreed, that Canada should support the right of the Assembly to discuss political questions coming up under Articles 73, 10 and 14. This should not, however, prevent us from saying that it was not the proper time for discussion of such questions and from voting against their inclusion on the agenda of a Session of the Assembly.

4. QUESTION POSED. Should Canada seek election to the Committee on Information transmitted under Article 73 (e)?

Mr. Carter said that, while it was unlikely that we would ever be elected to the Committee on Information, we should not completely dismiss the possibility, as the membership of the Committee was larger than that of the Trusteeship Council. Three members of the Commonwealth were permanent members of the Committee: the United Kingdom, Australia and New Zealand. *Mr. Ritchie* thought that Cabinet was unlikely to approve Canada's seeking membership. *The Chairman* said that Canada should probably not seek election to the Committee at least for some years, and it was so agreed.

III. *Canada's Role*

5. QUESTION POSED. In general should we attempt to play a more active role in trying to reconcile the views of the administering and non-administering states?

Mr. Ritchie asked what was meant by "a more active role". Did this mean a change in Canadian policy to the disadvantage of the administering powers, or merely more activity by the Delegation to bring the two sides nearer to agreement — the "honest broker" role?

It was pointed out that any further activity in these questions might result in Canada's losing friendship on both sides. *Mr. Ritchie* said that it should first be proven that greater activity would, in fact, serve a useful purpose. *Mr. Johnson* pointed out that an unfortunate precedent had been set by representatives walking out on debates in the Fourth Committee.

The meeting discussed the nature of the anti-colonial bloc. *Mr. Carter* said that Cuba, the Philippines and Egypt had been among the most extreme at the fifth Session. *Mr. Scott* suggested three possible motives actuating the non-administering majority. Some powers genuinely disliked imperialism and colonialism and wished to see them ended; some wished to embarrass the administering powers for ulterior political reasons; and some used the debates to help maintain leadership in their regional group, or to make political capital for the government of the day at home. He thought we might influence countries in the first category, such as India, but it would be difficult to find ways of influencing the others, whose reasons for opposition to the administering powers were not based on the merits of the issues. *Mr. Carter* thought that there was a sizeable group in the Fourth Committee which would listen to Canada. The Canadian representative in 1950 had been able to influence the more moderate Latin-American delegations on several occasions. *The Chairman* suggested that there were a few responsible "neutrals" with whom we might join; he suggested that the only ones besides Canada were the Scandinavian countries, Greece and Turkey. Some others such as India, Brazil and Chile might be responsive to the approaches of this group, acting as honest brokers. Such a group might exercise a stabilizing influence.

Mr. Ritchie said that Canada's freedom as an honest broker was limited by our NATO commitments. The military aspects of any action had to be considered. *The Chairman* suggested that the Minister might be asked if he would raise the whole question with Mr. Lange of Norway. Norway and Canada were both members of NATO and both non-administering powers. The Minister might ask Mr. Lange what he thought could be done before and during the Seventh Session of the Assembly to improve the atmosphere in the Fourth Committee. An approach might also be made to the Latin-American countries well before the opening of the Assembly to see whether the governments would not give instructions to their delegations which would result in a more reasoned approach to the problems of the administering powers. *Mr. Carter* suggested that Denmark's foreign minister might also be approached, as well as Mr. Lange, in view of Denmark's greater experience in this field.

The Chairman said that Africa south of the Sahara was the main area in which there were problems connected with dependency. Canada's interest was to prevent an explosion in Africa. A strong call could be made for trying to convince the administering powers that they should look forward to self-government for the African territories within forty or fifty years, if the explosive situation was to be contained.

Mr. Ritchie agreed that a case had been made out for increased Canadian activity in questions of dependent territories. He favoured, however, tactics of informal approaches to delegations in order to bring a measure of agreement, rather than a firm approach based on a policy change. *Mr. Ronning* said Canada abstained too much, and should take sides. *Mr. Ritchie* said that such action went beyond the role of honest broker, which often implied abstention in order to preserve the Canadian position for future efforts to bring agreement. *Mr. Carter* suggested that Canada could preserve the honest broker role by submitting some resolutions which we could support, rather than by leaving the initiatives to the extremists of both sides.

Mr. Johnson said that in the past Canada had generally voted with the administering powers. A change of policy would be likely to bring collisions with them, and particularly with France. *Mr. Ritchie* said that while French behaviour in Indo-China had been ill-advised, Canada had an interest on military grounds in trying to keep them from withdrawing entirely from that area. Canada could no longer take an entirely objective view.

The Chairman asked that the specific problems in this field which might arise at the Seventh Session should be put before a subsequent meeting for discussion.

IV. *South-West Africa*

1. QUESTION POSED. Should we continue being critical of South Africa until it accepts the minimal obligations which the International Court of Justice found still exist?

The Chairman thought that Canada should continue its present policy. He said that it was clear that the attacks on South Africa would be intensified at the next Session of the Assembly. *Mr. Johnson* said that South Africa's threat to withdraw had resulted in a mild debate in final plenary session on the question. He thought that the Latin American countries wanted to keep South Africa in the United Nations where they were free to attack.

2. QUESTION POSED. If South Africa threatens to withdraw partially as at the last session or wholly from the United Nations, should we modify our policy?

Mr. Johnson said that it would be harder to influence South Africa if it were not in the United Nations. *The Chairman* said that it would be better if South Africa were made to realize that it had the support of not one of the respectable powers. He wondered what the effect of the Canadian vote in favour of the "regretting" resolution had been in South Africa. *Mr. Ronning* said that the South Africans had said they were "rudely shocked" by Canadian action. The Assembly resolution had resulted, according to reports, in a loss of internal support by Malan. There was general agreement that it would not be wise to drive South Africa out of the United Nations. It was suggested that, it might be our policy to have an "open door" on membership in the United Nations — all countries could be free to enter and leave as they wished. The Charter provisions on admission and expulsion might then become dead letters.

3. QUESTION POSED. In view of the Department's legal opinion, should we vote for any future resolutions of the Fourth Committee to hear the Rev. Michael Scott?

The Chairman said that the opinion of the Legal Division had, in his view, established that the Fourth Committee was within its rights in inviting the Rev. Michael Scott and the Herero chiefs to appear before it. *Mr. Johnson* said that the Rev. Mr. Scott had made a good impression.

V. *Treatment of Indians in South Africa*

Miss Ireland said that Canada had always abstained, and had never voted for or against resolutions on this question, since we had wanted an opinion from the International Court of Justice on whether or not the problem was within South Africa's domestic jurisdiction. The South Africans were willing to negotiate, but not under the Assembly resolution, since they did not recognize the authority of the Assembly. India, on the other hand, was unlikely to accept the offer to negotiate on these terms, since it wanted action under the terms of the Assembly's resolution. *Miss MacCallum* said that many countries had minority problems and were not anxious to see a precedent set for fear that the United Nations might discuss their own internal problems.

The Chairman asked whether the question of Indians in South Africa was still symbolic of the scorn of white races for coloured races, as it had been in 1946. *Miss MacCallum* said that the discussion had been on a more rational level, and speeches had been notably more conciliatory, probably as a result of the South African withdrawal.

The Chairman said that if, as Mr. Erichsen-Brown thought, neither side wanted a reference to the Court, it would be increasingly difficult for Canada to pursue its past policy. He wondered whether we might not bring forward the resolution on a reference to the Court which had been prepared in the Department during the last session. He suggested, and it was agreed, that a revised resolution might be prepared which Canada could submit regardless of whether the two parties favoured it. *The Chairman* also suggested that the Canadian High Commissioners in New Delhi and Pretoria might be asked to learn the probable reaction of the Indian and South African governments to a reference of the question to the International Court of Justice.

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234. DEA/5475-DW-14-1-40

Procès-verbal de la 4ᵉ réunion des directions pour déterminer la politique à suivre

Minutes of Meeting 4 of Inter-Divisional Policy Meetings

SECRET Ottawa, April 3 (p.m.), [1952]

NORTH AFRICAN AND MIDDLE EASTERN QUESTIONS

Present:

Mr. E. Reid, Chairman
Mr. H.O. Moran
Mr. C.S.A. Ritchie
Mr. E.H. Norman
Mr. A.F.W. Plumptre
Mr. C.A. Ronning
Mr. S.M. Scott
Mr. J.B.C. Watkins
Mr. M.H. Wershof
Miss E.P. MacCallum
Mr. H.H. Carter
Mr. R. Campbell
Mr. J.S.G. Hardy
Mr. K. Goldschlag
Mr. F.W. Stone
Mr. D.W. Munro
Mr. C.F.W. Hooper

I. *Canadian Interest in the Middle East*

The Chairman began by raising the question of what constitutes Canada's minimum interest in the Middle East. He said that the North Atlantic Alliance needed the acquiescence of local populations in Middle Eastern and North African areas if strategic bases were to be maintained for the period of the cold war. This was our minimum interest in the area. The Middle East and North Africa, next to Europe itself were of the greatest strategic interest to the West.

II. *Need for greater comprehension of Middle Eastern problems by members of Canadian delegations to sessions of the General Assembly*

Miss MacCallum said that many of the members of Canadian delegations to successive sessions of the General Assembly had been frankly at a loss to understand what was going on in the Middle East or the reasons why Arab representatives in various committees of the Assembly were so often opposed to policies supported by Canada. If our policies are to be based on comprehension of Middle Eastern problems it would be worth while to make some provision in advance to give the necessary guidance to the Canadian delegation to the next session of the General Assembly. The problem was two-fold, being related (a) to the comparative lack in Canada of reliable and objectively written information about the recent history and present problems of the Middle East and (b) to the scarcity of personnel in the Department possessing special training or experience in dealing with Middle Eastern problems. A tendency to criticize Arab and Asian delegations without making the effort to understand their position might hamper efforts to prevent the consolidation of an Arab-Asian bloc antipathetic toward the West.

Mr. Johnson agreed with this analysis. He said that the Delegation knew little about Middle Eastern questions, and that experience at the recent Assembly showed the advantages of having an expert on the Middle East on the Delegation which has made helpful Canadian intervention in the Palestine question possible.

III. *Measures which the Department might take to increase understanding of Middle Eastern problems*

(1) *Middle Eastern Expert on the Canadian Delegation*

Miss MacCallum suggested that a senior officer be appointed to the Delegation who would be assigned well in advance the responsibility for steering into helpful channels all discussions in the Delegation of the policies of Middle Eastern representatives in various committees of the Assembly. *The Chairman* said that this would mean increasing the Delegation by two officers, one of whom would keep in touch with Latin American delegations and the other with Asian and African delegations. This was particularly necessary because our representation in these areas was inadequate. He agreed that these officers should be experts who should make preparations well in advance for their special duties with the Delegation.

(2) *Middle Eastern Expert at Canada House*

Miss MacCallum suggested that if it was still impossible to consider the establishment of Canadian missions in the Middle East, a first step toward increasing the flow of information on Middle Eastern developments might be the appointment to Canada House of a qualified officer to specialize in Middle Eastern affairs. Sources from which information might be drawn would include the Foreign Office, the diplomatic missions of the Middle Eastern countries which send some of their best men to London, and the confidential files on Middle Eastern material at Chatham House. Supplementary material might be derived from occasional studies made in Paris. In New York or Washington it might be more difficult to procure information of the sort required. *The Chairman* said that an officer operating at Canada House might also be the expert sent to meetings of the General Assembly. For the time being, this might be the most economical way of increasing our information on the Middle East. *Mr. Scott* said that it was important that the officer should be a well informed person, having a good working knowledge of the history and contemporary problems of the area. *Mr. Norman* thought it would be an advantage if the officer concerned could speak the languages of the Middle East. *Mr. Ritchie* warned against any form of accreditation for such an officer. It would be necessary to avoid getting into an ambiguous position with Middle Eastern missions in London, which should not be officially informed that the officer in question was working solely on Middle Eastern questions. The appointment of such an officer would be a stop-gap measure only. One officer would be doing work of two missions. *The Chairman* said that a memorandum for the Minister should be prepared along the above lines and that it should be discussed with Mr. Moran and the Personnel Division. *Mr. Moran* said that he would discuss the proposal with Mr. Robertson.

(3) *Rotation of Officers on Middle Eastern Desk in the Department*

Miss MacCallum suggested that a further measure to ensure that Canadian policies should be based on adequate comprehension of Middle Eastern problems would be to arrange for rotation among officers of the Department of the responsibility for dealing with incoming material on the Middle East. The tendency to regard the Middle East as the preserve of a single expert should be avoided. If more officers became conversant with Middle Eastern problems through two or three-year periods of duty at the area desk the advantages to the Department would be obvious. The experiment had already been tried for a 10-month period with very successful results. *The Chairman* said that this should be suggested to the Personnel Division. Officers returning from Pakistan or Turkey might spend some time in the European Division working on Middle Eastern affairs if the Head of the Division considered this to be suitable. *Mr. Watkins* said this would depend on the qualifications of the individual officers concerned.

IV. *Discussion of the Moroccan Question in NATO*

The Chairman said that NATO had an important interest in preventing unrest in this area.

Mr. Ritchie said that if Canada should propose in NATO that there should be some international accountability for Middle Eastern and North African territories, it would be unlikely that agreement could be reached or even that discussion could be brought on.

The view was, however, expressed to him that Egypt, Indo-China, Sweden and Switzerland had already been discussed in the North Atlantic Council, and that, it might be possible to influence the French to some degree in NATO. *Mr. Wershof* said that the United Kingdom Chiefs of Staff thought that the French might propose that the NATO area should be extended to include all of French North Africa. The United Kingdom Chiefs of Staff did not think this a good idea.

It was pointed out that there are already bases in Morocco that would be used by NATO in the event of an emergency. It was suggested that the question of extending the area of NATO was for the United Kingdom, France and the United States to decide. The area was not of interest to all members of NATO since some did not wish to be committed to defend those areas.

Mr. Ritchie thought that NATO could not go on indefinitely without discussing the political problems of Middle Eastern stability, since these affected the defence position of France and the United Kingdom. He doubted, whether Canada should take the initiative since a proposal to discuss the problems of this area might involve us in commitments in the area. *The Chairman* suggested that pre-Assembly talks in NATO might be held on items of interest to NATO (such as Morocco) to see what could be done to prevent too great embarrassment of individual members of NATO. *Mr. Ritchie* warned that bad feeling in Asia and the Middle East might be aroused by what appeared to be an attempt by the colonial powers in NATO to "influence" discussion in the General Assembly beforehand.

The Chairman said that the problem of the French in Morocco was similar to that of the problem of the United States in Korea. The Canadian Government has to discover how best to influence each ally by finding the most effective and least annoying channel. *Mr. Ritchie* commented that the French can argue that Morocco and Tunisia are their possessions and their responsibilities.

V. *Methods of Obtaining Co-operation from Middle Eastern Countries*

Miss MacCallum said that if NATO powers wished to encourage a mutually co-operative spirit within the Middle Eastern area on which they plan to base part of their defence it would be an advantage to establish the habit of approaching the representatives of Middle Eastern countries with greater tact. For example, the invitation to Egypt to join in a Middle Eastern defence system had been so worded as to alienate rather than encourage the co-operation of all Arab countries. Although opportunities had been offered earlier by Arab statesmen themselves to work out a plan for international defence of the Suez Canal zone, these opportunities had been ignored by Western powers, whose present proposals looking toward Middle Eastern defence were put forward as a statement of intention to be pushed through whether the Arabs liked it or not. *Mr. Ritchie* said that eventually such matters as these should be discussed in the Council of NATO and policy should be agreed on before acts were done which affected all members. For example, it would have been helpful if the French had told NATO beforehand what they intended to do in Tunisia before the government there had been deposed. *The Chairman* pointed out that Canada was not yet in a position to propose this sort of thing.

The Chairman asked whether Pakistan exercised a moderating influence in the area. *Miss MacCallum* said that it did. *Mr. Johnson* gave instances of where Pakistan had tried to help.

VI. *The Moroccan Question and the Agenda of the General Assembly*

The Chairman said that this problem could arise again at the next Assembly. Despite our efforts to delay a decision on this question our hands were free to vote in favour of its inclusion. We could merely say that the time was now more suitable to discuss the question, than it had been at the Sixth Session. He said that if the present situation continued through the next six months, we would have no valid excuse in trying to keep it off. Indonesia constituted a precedent; in this instance, unrest in a colonial territory threatened peace and security, and the question was placed upon the agenda.

Mr. Ritchie said that it was possible that the coming summer and autumn would be a particularly difficult and perhaps critical time for France. The cumulative strain of the war in Indo-China, the political and fiscal instability within the country and the great demands being made on France to raise French divisions this year would impose a severe test on French strength and morale. It would be particularly unfortunate if French colonial policy were to be subjected to a campaign of public denunciations from the platform of the United Nations. While it might be impossible to prevent the inclusion of an item dealing with French North Africa on the agenda of the General Assembly, it was to be hoped that a special session on Tunisia could be avoided. *Mr. Wershof* said that Canada owed a loyalty to its allies and that this loyalty might prevent Canada from voting as a completely free agent in the United Nations. This was especially true when the question of an area like Morocco arose, where defence activities were going on. He said that he thought that the French would feel that they could demand more friendship from us by virtue of their association with us in NATO. To assume that the colonial age is doomed and that it is necessary to urge making terms with local rulers while there is still time, is not in accordance with friendship in an alliance. *The Chairman* said that Canadian interest was in the strength of the alliance as a whole, that if any French policy led to a decrease in that strength Canada should oppose that policy while at the same time maintaining an interest in the stability of France. It was necessary to balance the stability of France as an ally against the interests of the alliance as a whole. *The Chairman* said that other countries in the alliance should have some influence in the policies of a single member in the interests of the whole alliance. He said that while we may not wish to give Morocco self-government we do need bases in Morocco and we do have a stake in the area. It would be difficult to maintain this stake in the face of a hostile population — it was therefore necessary to make a deal of some kind. *Mr. Ritchie* pointed out that it would be very unfortunate if the French became suspicious of the motives of any of their allies over North African questions. There had always been a suspicion in France that it was the British who had extruded them from Syria and the Lebanon. They might also suspect that there were certain American commercial interests in North Africa. The United States already had bases there. *Miss MacCallum* said that when the United Kingdom moved out of spheres of influence in the Middle Eastern areas the United States had been the beneficiary in some cases. *Miss MacCallum* said that Greece was an example of the most extensive United States control of a sphere of influence which had been vacated. This trend had also taken place to some extent in Turkey.

VII. *The Dispute between Israel and the Arabs*

The Chairman said that the Canadian Delegation had taken an active part in securing a resolution on this subject at the recent session of the General Assembly. He asked for a statement of what Canada's policy in this connection was considered to be. *Miss MacCallum* said that the part played by Canada in securing an Assembly recommendation in November 1947 in favour of the partition of Palestine had implied active Canadian support for the principle of setting up an independent Jewish state in the Middle East. Since 1947 it has been necessary for the Security Council and the General Assembly to follow through to ensure the satisfactory adjustment of the peoples of the Middle East to the changed situation. Canada as a member of the United Nations had been concerned with the success of United Nations efforts to stabilize international peace and security in the area. During the Sixth Session of the General Assembly there had developed a threat of the immediate breakdown of United Nations activities through the Palestine Conciliation Commission and the Relief and Works Agency. A breakdown of this nature would have caused a serious deterioration of international relations in the area. The Canadian Delegation helped Dr. Jessup of the United States Delegation to transform this threat into a reaffirmation by overwhelming majorities of the principle of continued United Nations efforts to secure a satisfactory settlement of issues outstanding between Israel and the Arab states and continued practical aid for Palestine refugees.

The advantage gained by these Assembly resolutions was not in danger of being lost for lack of active follow-up by the Conciliation Commission. Moreover, openings offered by both sides during the debate, which might have been exploited to good effect by an able conciliator, had been allowed to pass unheeded by the United Nations. If Canadian interest in the success of United Nations peace efforts in the area was lively enough, Canada might now try to persuade the three powers making up the Conciliation Commission to appoint to that body persons of proved ability as conciliators to get on with the job actively. *Miss MacCallum* did not suppose it was Canada's function to take the initiative in working out the basis of what might be considered a reasonable peace settlement, although in order to break through the circle of apathy which was impeding a settlement it would be an advantage if someone were to make an effort of this nature. *The Chairman* suggested that it might be well to put up to the Minister the question of the part Canada should play between sessions of the General Assembly in order to prevent gains made during the sessions themselves from being frittered away.

VIII. *The Blandford Plan for Assistance to Palestine Refugees*

(At Meeting II, the principles of Canadian contributions to relief agencies were discussed.)

The Chairman said that it could be assumed that Canada, as a member of the United Nations, would contribute to UNRWAPR. It was now a question of the size of our future contribution. *Mr. Scott* asked how important a contribution was in the view of the European Division. *Miss MacCallum* said that the purpose of the Blandford Plan was to enable a large proportion of the refugees to shift for themselves instead of continuing to be dependent on international aid. It might be a while yet before Israel and its Arab neighbours worked out either a boundary agreement (which would determine whether the former homes of some thousands of refugees would be under Arab domination or not) or an agreement as to what categories of Arab refugees might resettle in Israel. The working out of such agreements was the business of the Palestine Conciliation Commission. It was not the function of the Relief and Works Agency. The task set for the latter under the Blandford Plan was to rehabilitate the refugees by providing opportunities for their present settlement in Arab countries, without prejudice to their repatriation if and when the opportunity arises for returning to their former homes. The Arab governments, which have reason to fear the growing discontent of concentrated masses of refugees, are anxious to take advantage of the Blandford plan for the dispersion of the refugees in self-supporting communities. They fear equally, however, the public outcry that would be raised if Arab representatives at the United Nations could be accused of joining in a general conspiracy to defraud the refugees of their right to repatriation by forcing them to settle permanently outside of Israel. The Blandford formula of rehabilitation through creation of self-supporting refugee communities, without prejudice to repatriation, seems to afford the only practical means of escape from the present dilemma, which has been created by the determination of the refugees to return to their former homes and the determination of Israel to exclude them. Whereas at the Fifth Session of the General Assembly there was a feeling that the refugees would have to accept their permanent exclusion from Israel, during the Sixth Session a trend had developed in favour of the view that there are categories of refugees which Israel ought to accept and that it should not delay indefinitely the payment of compensation and the release of frozen funds of Arab refugees in Israeli banks, which would make it possible for many of the refugees to set themselves up in business once more.

The Chairman asked whether the compensation to be paid to Israel by Germany might assist Israel in compensating Arab refugees. *Miss MacCallum* replied that the Foreign Minister of Israel had said the two matters were not unrelated. She added, however, that Israel was experiencing a serious economic crisis and urgently needed for itself any compensation Germany might pay. She had wondered whether Israel might not find it preferable to arrange for a long-term loan in order to meet the obligations it has acknowledged for compensation of Arab refugees. Repayment of the loan could be made more easily when the peak of immigration to Israel has been passed. Quite a number of the Arab refugees need only to have their private capital restored in order to resume normal life outside Israel. *The Chairman*asked that a memorandum on UNRWAPR should be prepared for the consideration of the Minister.

235. DEA/5475-DW-14-1-40

Procès-verbal de la 5^e réunion des directions pour déterminer la politique à suivre

Minutes of Meeting 5 of Inter-Divisional Policy Meetings

SECRET Ottawa, April 4 (a.m.), [1952]

FAR EASTERN QUESTIONS

Present:

Mr. E. Reid, Chairman
Mr. D. Johnson
Mr. R.A. MacKay
Mr. E.H. Norman
Mr. M. Scott
Mr. F.B. Rogers
Mr. H.H. Carter
Mr. F. Tovell
Mr. G. Grande
Mr. D. Stansfield
Mr. C.F.W. Hooper

QUESTION 1. The western powers have worked on the assumption that the post-armistice conference to which the General Assembly is being asked to give its blessing at the Special Session will confine itself to Korean questions and will not touch related Far Eastern problems such as the future of Formosa, recognition of the Central People's Government of China, Chinese representation in the United Nations, and economic relations with China. Do we continue to support this assumption and would we oppose any Arab or Asian or other attempt to widen the scope of the Conference?

The Chairman said that the western powers would propose that the Special Session confine itself to Korean questions. This would be approved unless some power or group of powers decided to be difficult. *Mr. Johnson* said that the French had thought that a special session would have a slightly better chance of keeping other questions off the agenda. Trygve Lie had thought that the important thing was that Padilla Nervo should not be chairman; although our own reports had been favourable enough, the Secretary General had found him weak and unwilling to take initiative of any kind.

The Chairman said that whether at a special session or the next regular session, a draft resolution would be put up and it would provide for discussion only of other related Korean questions. This constituted a withdrawal from the United Nations position of a year ago which was that other related Far Eastern questions would be discussed.

The meeting agreed that in an election year it would be impossible for the Americans to agree to discuss anything more than this. We would be obliged to support the Americans. We could argue with any Asians who chose to be difficult that the Korean question must of course be solved before anything else could be discussed. At the same time it might be possible to persuade the

United States to make concessions of form but not of substance, which might go part way to meeting Asian objections.

QUESTION 2. What should be the role of the General Assembly and the Security Council in a Korean settlement? Should the General Assembly try to do more than give its blessing to a conference composed as the United States suggests? (The United States' view is that the role of the Security Council should be simply to pass a resolution referring the question to the General Assembly.)

Mr. Rogers wondered whether the Security Council resolution was necessary; the Assembly could deal with the subject without one. *The Chairman* agreed that this was true and that the possibility of a Soviet veto in the Security Council introduced an element of danger. The United States plan at the moment, however, was to show the resolution privately to the Soviet representative beforehand. If the indications were that he was going to veto, some other procedure could be tried. The essence of the question was that the Security Council should approve a resolution which had been negotiated beforehand in secret with the Soviet Union. The meeting agreed that this was the best way of dealing with the question.

QUESTION 3. Do we have any views about the composition which the United States has suggested for the conference? This is Australia, Colombia, France, Siam, Turkey, the United Kingdom, the United States, the Central People's Government of China, the North Korean authorities, and possibly the Soviet Union.

There was some discussion of this question, with particular reference to the differentiation between the Soviet Union and the "American satellites". Canada had already expressed concern over the inclusion of some of the countries suggested. It was agreed that there was not much more that we could do, other than to continue, as in the past, to press for the inclusion of India.

QUESTION 4. Would we be prepared to campaign at the Assembly to keep the instruction for the United Nations states at the conference to seek a unified, independent and democratic Korea, hortatory rather than mandatory?

Mr. Rogers remarked that the conference, under the draft resolution, would be told to seek a unified, independent, and democratic Korea, but it was not instructed that it could negotiate on no other basis. Nevertheless, a unified, independent and democratic Korea remained the declared United Nations goal. *The Chairman* said that it would be helpful if we could find out whether the Americans really wanted a unified, independent and democratic Korea. It could be argued that the attainment of this goal would hasten the date at which the whole of Korea would be governed by the Communists and that this might be a good thing since it would cut commitments in that area early and neatly. Perhaps what the Americans really wanted was the restoration of the *status quo ante bellum* with the boundaries moved to the armistice line. The danger was, however, that the Russians might come forward with a reasonable proposal for achieving the professed United Nations aim. What would happen then? *Mr. MacKay* suggested that perhaps the Americans themselves had not really made up their minds. Mr. Rogers was inclined to agree that they had not reached a clear decision on the subject. The Chairman believed that they had sensed the danger of attaining the objective of a unified Korea but that if they deserted that objective in favour of the restoration of the *status quo* the Administration would be violently attacked for getting into a war which settled nothing. The meeting thought Mr. Johnson might have some success in extracting an answer from the Americans.

QUESTION 5. Is the course of action as outlined in WA-817, 818, 819, and 822 of March 26 generally acceptable?

The meeting agreed that it was.

QUESTION 6. In the event of a cease-fire leading to a Special Session of the General Assembly are there any matters about Korean relief which Canada should raise at the session?

This question was not considered separately but was kept in mind during the consideration of questions 7 and 8, which were taken together.

QUESTION 7. UNKRA's terms of reference (General Assembly Resolution 410V) imply that UNKRA should extend its activities to North Korea. A resolution which the State Department has drafted for the Special Session of the General Assembly would reaffirm the "intention of the United Nations to carry out its program for assistance to the Korean people in the reconstruction and rehabilitation of all of Korea," and would request "the Agent General to be ready to extend his activities throughout Korea as soon as the General Assembly will have approved a political settlement for a unified, independent and democratic Korea." This means that UNKRA would not carry out relief operations in North Korea during the period following a cessation of hostilities but only after approval by the General Assembly of a political settlement. We have already given tentative approval of this draft. Should this approval be reconsidered?

QUESTION 8. Is it our wish that UNKRA do as much work in Korea as it can usefully do as soon as it can do it, or are we content that UNCACK should keep on doing the job as long as it chooses to do so? Specifically, (a) do we wish UNKRA to keep on trying to take over now, or (b) do we wish UNKRA to keep on trying to take over as soon as possible after a cease fire; or (c) are we content to let things take their course without interference from us?

Mr. Tovell said that UNKRA's terms of reference had referred to "Korea" and not to the North or the South separately. These of course had been drafted sometime before December 1950 when the situation in Korea was very different from what it was now. Under the proposed resolution no money would be spent in North Korea until the Assembly had approved a political settlement. The meeting discussed at some length what would happen if the North Koreans sought relief, or if some member of the United Nations wanted to have relief offered to the North before that time. *The Chairman* observed that a simple amendment to the proposed resolution would make the original terms of reference apply, and thought that we should ask the United States and the United Kingdom what they thought about it. The important political reason for at least offering relief to North Korea, under proper safeguards of course, was that the destruction caused in the North by the United Nations forces had done immense damage to the position of the western powers throughout Asia.

Mr. Norman thought that the Americans would be very reluctant, on military grounds, to offer any relief to North Korea. On the other hand, the reasons which could be given for this attitude were not particularly valid since the Communists could violate the permanent settlement as easily as they could violate an armistice. *Mr. Johnson* noted that WHO had already offered assistance with the approval of the Unified Command; this might be taken as a precedent. *Mr. MacKay* said, however, that medical assistance was rather different, since epidemics affected both sides of a battle line. He could not conceive of the Americans agreeing to any substantial assistance for the North.

The Chairman recalled that between the wars there had been criticisim of the Allies for not sending relief assistance to the enemy after the armistice and before the peace settlement. In that case, of course, there had been a victory rather than a draw, but there was still a possibility that the Americans, as well as ourselves, would be criticised for not offering assistance. The meeting agreed with a suggestion made by *Mr. Scott* that the best solution might be to leave the whole paragraph out of the resolution. This would avoid precipitating a demand for relief assistance for North Korea at the Assembly session, and would get us back to the present situation in which the whole question is up to UNCURK to decide in consultation with UNKRA. *The Chairman* thought that a telegram might be prepared for the Minister's consideration, asking the Embassy in Washington to discuss the question with the State Department, pointing out the dangers involved in using relief as an instrument of policy, i.e. that the Asian-Middle Eastern countries might, from humane motives, introduce an amendment to the resolution, providing for relief to North Korea.

Considerable discussion followed on the questions of UNKRA's present activities, its relations with UNCACK, and the arrangements for the taking over of UNCACK's work by UNKRA in the six months following cessation of hostilities. *Mr. Scott* said that our objectives were (a) to help the Koreans, (b) to help them in such a way that they would be duly grateful, (c) to ensure that the United Nations got all the credit they deserved and more if possible, and (d) to ensure that Canada got her share of the credit and more if possible. If the financial point of view were alone to be considered we should be happy to leave Korean relief, to the greatest extent possible and for the longest time possible, in the hands of the United States taxpayer, i.e. UNCACK. A difficulty was our inability to get reliable information on exactly what was going on. We did not know whether all or any of our objectives were being achieved. We also did not know why UNCACK appeared to be so determined to carry on.

The Chairman remarked that the six-month arrangement for turning over the functions of UNCACK to UNKRA had a bearing on the question of providing relief for the North Koreans. If UNCACK carried on for six months in the South it was reasonable to assume by analogy that something in the nature of a "Chinese CACK" would do the same thing in the North.

The meeting agreed that the United Nations Division and the American and Far Eastern Division should prepare a memorandum for the Minister, for his information and also to cover the telegram to Washington suggested previously, summarizing our present knowledge of the rather confusing situation with regard to Korean relief.

The question was raised, with reference to a view [which] had been expressed at one time by the American and Far Eastern Division, as to whether it was true that Canada did not favour the reconstruction of Korean industry because the country was expected soon to be in Communist hands. If this were true our representative on the UNKRA advisory committee (Mr. Johnson) should know about it. *Mr. Norman* thought that the Koreans should be helped to repair the damage done to industry, but not to advance industrially. *Mr. MacKay* wondered whether the question was really important. *The Chairman* thought that the importance lay in the criticism which would be leveled at western governments, and particularly at the United States government, when and if Korea were taken over by the Communists, if the West had previously spent a lot of money on industrializing the country. There was the fact, however, that the funds available for Korean reconstruction would inevitably be inadequate. *Mr. Rogers* thought our attitude might well be spent on short-term projects. The Chairman thought this was a nice way of putting it. The meeting agreed that the initiative should be left with American and Far Eastern and Defence Liaison (1) Divisions to provide an analysis of this problem of the re-industrialization of Korea.

3^e PARTIE/PART 3

UNION SOVIÉTIQUE ET LES NATIONS UNIES
SOVIET UNION AND THE UNITED NATIONS

236. DEA/5475-DW-14-1-40

Le ministre des Affaires extérieures d'Australie
au secrétaire d'État aux Affaires extérieures

Minister for External Affairs of Australia
to Secretary of State for External Affairs

PERSONAL AND CONFIDENTIAL Canberra, May 20, 1952

My dear Pearson —

From time to time the idea crops up in the minds of a certain number of people here that we should work towards squeezing the U.S.S.R. out of the United Nations. I have not had an opportunity to discuss even the vague possibilities of this with individuals like yourself. The plus and minus of such action are reasonably apparent. I would be grateful if you would let me know, for my personal and confidential information, what your views are on the subject — and if much thought has been given to this question by the few others whose views would carry weight on such a subject. The fact that there has been, so far as I know, no overt move in this direction, would seem to indicate that at least Britain and America believe that the best interests are served by U.S.S.R. remaining *in* the United Nations rather than out.

However, if you would care to write to me privately on the subject, I would be most interested.[43]

I am,
Yours sincerely,
R.G. CASEY

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237. DEA/5475-DW-14-1-40

Le secrétaire d'État aux Affaires extérieures
au ministre des Affaires extérieures d'Australie

Secretary of State for External Affairs
to Minister for External Affairs of Australia

PERSONAL AND SECRET Ottawa, June 3, 1952

I was glad to receive your letter of May 20, asking for my views on the question of squeezing the Soviet Union out of the United Nations. It gave me an opportunity to clear my own mind on this very important subject.

In my view, the democracies would be making a serious mistake if they took action in the United Nations which either forced the withdrawal of the Soviet Union from the organization or which gave the U.S.S.R. a convincing propaganda pretext for such a withdrawal. The United Nations still provides unique opportunities for contact between the Cominform states that are members of the United Nations and the free world, and the forced withdrawal of the Soviet Union would only lead to the breaking-off of this contact without in any way altering the present balance of military power in the world. Soviet Russia will still present the same threat to our security whether or not she is a member of the United Nations. Moreover, if the Western democracies act in a manner which forces the Soviet Union (and thus her satellites) to leave the United Nations, this might be followed by the withdrawal of other states, not because they were Communist or pro-Russian, but because they preferred not to belong to any organization which would then have become so markedly anti-Soviet and partisan in the Cold War. This would, of course, further weaken the prestige of the United Nations, especially in Asia where its influence is of great importance to us.

It is true that the presence of the U.S.S.R. in the United Nations is often a great irritation but the withdrawal of the U.S.S.R. would destroy the principle of universality which is basic to the United Nations, without achieving any comparable gain in terms of our security. Indeed, the security position of the West might be even worse if the Soviet Union were forced out of the United Nations, as we might alienate many countries which are not in a position to make military contributions in the event of war with Russia, but whose moral and, perhaps, economic support would be of great value to us.

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[43] Note marginale :/Marginal note:
U[nited] N[ations] Div[ision]. In consultation with European Div[ision] please prepare reasoned reply. E. R[eid]

Furthermore, the United Nations machinery is capable of initiating negotiations of various sorts which, even if they do not succeed in producing solutions to our problems, may assist the free world to gain more time when time is badly needed.

So far as I know both the United Kingdom and United States Governments share the view of this Government that our best interests are served by having the Soviet Union remain in the United Nations rather than by driving it out.

Thanking you again for your letter, I am,

Yours sincerely,

L.B. PEARSON

4e PARTIE/PART 4

SEPTIÈME SESSION DE L'ASSEMBLÉE GÉNÉRALE, PREMIÈRE PARTIE, (14 OCTOBRE-21 DÉCEMBRE 1952)
SEVENTH SESSION OF THE GENERAL ASSEMBLY, FIRST PART, (OCTOBER 14-DECEMBER 21, 1952)

SECTION A

ÉLECTIONS/ELECTIONS

SUBDIVISION I/SUB-SECTION I

PRÉSIDENT DE L'ASSEMBLÉE GÉNÉRALE

PRESIDENT OF THE GENERAL ASSEMBLY

238. DEA/5475-DW-20-40

Le sous-secrétaire d'État aux Affaires extérieures
aux chefs de mission

Under-Secretary of State for External Affairs
to Heads of Post

CIRCULAR DOCUMENT No. A.13/52 Ottawa, February 8, 1952

RESTRICTED

PRESIDENCIES OF THE UNITED NATIONS GENERAL ASSEMBLY (SEVENTH SESSION), AND ECOSOC (1952)

The President of the General Assembly of the United Nations for the Seventh Regular Session will not be elected until the Session opens later in 1952. Nevertheless, consideration has already been given to the Canadian position, and it is desirable that Heads of Missions should be informed of the present situation.

2. The two most important offices in the United Nations, outside the Secretariat, are the presidency of the General Assembly and the presidency of the Economic and Social Council. The two positions have never been held simultaneously by one member state, nor is it likely that they could be. Canada has never held either post. By convention, the great powers are excluded from the two presidencies.

3. During December, our delegation to the Sixth Session of the General Assembly was asked by the French, United Kingdom and United States delegations whether a Canadian would be available for the presidency of the Economic and Social Council. This election will be held at the beginning of the Fourteenth Session of the Council in New York in May, 1952. The president then elected would hold office through 1952 and into 1953.

4. This enquiry made it necessary, rather earlier than had been expected, to examine our position concerning the presidency of the General Assembly, since the election of a Canadian to the presidency of the Economic and Social Council would militate seriously against the election of a Canadian to the more important post.

5. On December 26, 1951, the delegation in Paris was requested to inform the French, United Kingdom and United States delegations that Mr. Pearson was a serious candidate for the presidency of the General Assembly, and therefore a Canadian would not be available for the presidency of the Economic and Social Council. This information was given confidentially to the three delegations and this confidence was respected. On February 4, the day prior to the conclusion of the Sixth Regular Session, the delegation in Paris was told that it should inform other friendly delegations that Mr. Pearson was a serious candidate and that it should let the French, United Kingdom and United States representatives know that this was being done. The matter is therefore no longer confidential and has indeed already come to the notice of the press. It should be clearly understood, however, that no campaign is being initiated now to gain support for Mr. Pearson's candidacy. It is not desired that you should take any action on this information, though if enquiries are received you may state that Mr. Pearson has indicated that he is willing to serve.

6. If an armistice is concluded in Korea, there will be a special session of the Assembly to deal with Korean matters. The Minister is not a candidate for the presidency of a special session of this kind, but is a candidate for the Seventh Regular Session.

7. The Department should be informed of any reactions to Mr. Pearson's candidacy, as well as any local reports of other candidates and of candidates for the presidency of the Economic and Social Council.

8. Indeed, it may be taken as a general principle that the Department is interested in information about individual candidates for offices in the United

Nations, and about candidacies of countries for seats in those United Nations bodies in which vacancies periodically occur.

A.D.P. HEENEY

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239. DEA/5475-DW-20-40

Le représentant permanent auprès des Nations unies
au secrétaire d'État aux Affaires extérieures

Permanent Representative to the United Nations
to Secretary of State for External Affairs

TELEGRAM 211 New York, April 22, 1952

CONFIDENTIAL

PRESIDENCY OF SEVENTH GENERAL ASSEMBLY

Reference: Telegram No. 527 of February 6 from the Acting Chairman of Canadian delegation to General Assembly, Paris.†

1. I have been wondering what steps, if any, you would like the delegation to take between now and the next General Assembly to follow up the informal approaches we made to thirty or forty friendly delegations during the closing days of the last General Assembly in Paris informing them that if it was the general wish you would be willing to stand for the Presidency of the next General Assembly.

2. I know that you do not want us to campaign for your election, nor do I think that campaigning would be either appropriate or necessary. With the exception of the usual Soviet Bloc candidate you are, so far as I know at present, the only candidate in the running. I assume that Prince Wan will find it impossible to remain in New York throughout the assembly now that he has become Foreign Minister of Thailand. It is true that Mr. Belaunde of Peru was speaking at the end of the assembly as if he might have ambitions to preside over the next one, but I should not think he would have much chance of immediately succeeding another Latin American, Padilla Nervo. The knowledge that you are willing to be a candidate will deter others from standing.

3. I do not think that we should take your success for granted. No doubt most delegates are favourably disposed towards you personally. However, it is possible that some (i.e. some Arab, Asian and even Latin American delegates) who are suspicious of NATO may think you are too closely associated with NATO, and others (i.e. the under-developed countries) may think that Canada has not been particularly cooperative in economic development matters.

4. In talks which I have had no delegate has indicated that he holds either of the views mentioned in the preceding paragraph. Protitch,[44] however, dropped a hint at lunch one day that perhaps your close NATO association might be held against you by some delegations. My own feeling about this is that your NATO association should help you. It seems to me that those delegations which are suspicious of NATO would be inclined to say that if a leading architect of NATO is willing to spend three or four months of his time exclusively on United Nations matters it is in no sense true to say that the United Nations takes second place in our thinking.

5. I do not want to over-emphasize the possible opposition to your candidacy, but, with these thoughts in mind, I wonder if there might not be a few things we might do in New York in a quiet and informal way which would be helpful to correct any misapprehension which may have arisen that, because of the very prominent part you have been playing in NATO, you are less interested than you used to be in the United Nations.

6. In the first place we might gradually take advantage of what opportunities offer during the next few weeks to find out from those delegations we have already approached in Paris whether they have had any reaction from their governments. Without actually asking them to make a commitment, we might find out, where and when we can, which delegations are likely to vote for you. These approaches might at least equally well be made in the capitals of the countries concerned, but the only advantage in going the rounds here is that we may have opportunities of doing so more informally than an enquiry in the capitals of the countries concerned. As I recall, it was suggested while I was in Ottawa that we may ask some other delegation or delegations to take our soundings for us. I think it would be helpful a little later on if our more influential friends here would let it be known that they are supporting your candidacy, but I am inclined to think it would not be in accordance with normal practice in the United Nations and our own independence to ask another delegation to do what all delegations will assume that we are going to do.

7. I think it would also be desirable to arrange for you to speak to some influential group in New York such as the United Nations Correspondents Association later in the summer, perhaps sometime in August if that would be convenient. I know you spoke to much the same group in New York last month in addressing the Foreign Press Association lunch, but I am sure that with a hint from us the United Nations Association would be very glad to have you whenever you could come.

8. A visit to New York to speak to the United Nations Correspondents Association might also be combined with a return appearance on the "united or not" television programme. I have heard many favourable comments on your appearance last summer on this programme.

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[44] D. Protich, directeur en chef, département des Affaires politiques et des Affaires du Conseil de sécurité, secrétariat des Nations unies.
D. Protich, Principal Director, Department of Political and Security Council Affairs, United Nations Secretariat.

9. While you were here I would also like, if you had no objection, to have a reception for United Nations delegates in your honour.

10. I know how far ahead you must plan your schedule and it is chiefly for that reason I am making these suggestions now.

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240. DEA/5475-DW-20-40

Extrait de la note de la Direction des Nations unies pour l'adjoint exécutif[45] du secrétaire d'État aux Affaires extérieures

Extract from Memorandum from United Nations Division to Executive Assistant[45] to Secretary of State for External Affairs

CONFIDENTIAL Ottawa, April 24, 1952

PRESIDENCY OF THE SEVENTH GENERAL ASSEMBLY

I attach the action copy and several other copies of teletype No. 211 of April 22 from the Permanent Delegation in New York. We have kept two copies, but no other circulation than that to Under-Secretaries has occurred.

2. My remembrance of a previous conversation with you is that we agreed that the Minister would wish to keep this matter closely under his own hand and that communications of this sort might go to his office in the first instance. He may himself wish to decide what circulation, if any, papers like this should receive. Almost certainly he will wish closely to control the scale, tone, and strategy of his candidature.

3. If you agree, therefore, papers of this sort will be sent to you in action copy. This Division will be happy, of course, to take such steps as we will be asked to take in consequence of the Minister's intention. My notion is, however, that the Minister will wish general responsibility for giving advice on this particular subject to remain in his office rather than in this Division.

4. So far, the Department has appeared to think that Mr. Pearson's candidacy having become known, his election will follow more or less as a matter of course, or if any action is required, we may count upon our United States or United Kingdom friends to take it. Mr. Johnson's view is different, and I may add that the officers in my Division who are more experienced in United Nations affairs than I, agree with Mr. Johnson that Mr. Pearson's election is not a foregone conclusion, and that there should be some active campaigning unless Mr. Pearson is prepared to risk a defeat. Mr. Johnson's proposal in paragraph 6, that his officers should approach other Delegations in New York, seems to us a good one. I wonder, however, whether consideration should not be given to a further letter to our missions abroad. The only instructions our missions have are contained in Circular Document A-13/52 of February 8.

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[45] Alfred Pick, adjoint exécutif du secrétaire d'État aux Affaires extérieures
Alfred Pick, Executive Assistant to Secretary of State for External Affairs.

6. I am sending this memorandum to you through Mr. Reid to ensure that he approves of my remarks regarding responsibility, and to give him opportunity for comment.

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241. DEA/5475-DW-20-40

Le secrétaire d'État aux Affaires extérieurs
au représentant permanent auprès des Nations unies

Secretary of State for External Affairs
to Permanent Representative to the United Nations

TELEGRAM 218 Ottawa, June 3, 1952

CONFIDENTIAL

PRESIDENCY OF THE 7TH GENERAL ASSEMBLY

Reference: Your telegram No. 211 of April 22.

Following for Johnson from Reid, Begins:

1. I suggest that while the Minister is in New York you have a talk with him about the steps, if any, which the Delegation in New York might take between now and the next session of the General Assembly to follow up the informal approaches which you made to thirty or forty friendly delegations during the closing days of the session in Paris informing them that, if it was the general wish, Mr. Pearson would be willing to stand for the Presidency of the next session of the Assembly.

2. My own feeling is that it might be useful if you took advantage of opportunities that present themselves during the next month to find out from the delegations which were approached in Paris whether they have had any reaction from their governments, without actually asking them to make any commitment

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242. DEA/5475-DW-20-40

Note du sous-secrétaire d'État aux Affaires extérieures
pour le secrétaire d'État aux Affaires extérieures

Memorandum from Under-Secretary of State for External Affairs
to Secretary of State for External Affairs

CONFIDENTIAL Ottawa, July 4, 1952

PRESIDENT OF THE GENERAL ASSEMBLY

Mr. Jean Lesage was in Ottawa today and told me that he and Mr. Johnson had been canvassing, informally, Permanent Representatives in New York regarding the candidacy for President of the General Assembly.

2. Most of the Representatives from Western Europe and Latin American countries had expressed the view that they were sure their Governments would support your candidacy. Mr. Lesage, however, had an interesting talk with Mr. Padilla Nervo, the President of the Assembly. Mr. Nervo expressed a personal

desire to see you elected, but said that much would depend on whether or not a candidate was put forward from one of the Asian or Arab countries. In this case the geographical argument would have some force because Mr. Nervo himself is from a country which, geographically, could be considered as "North American". This has led Mr. Lesage to feel that your election can be assured if you can secure some prior commitment from India and Pakistan, since without their support it would be difficult for an Asian candidate to be put forward. It would also not be possible for an Arab candidate, such as Dr. Charles Malik, to make headway without the prior support of Pakistan.

3. The Representatives in New York of India and Pakistan were both approached, but in both cases their reply was that they did not know, and they would have to report to their Governments.

4. In view of this, Mr. Lesage thinks, and I agree, that it might be useful if our High Commissioners in New Delhi and Karachi could be instructed to inform the Governments of India and Pakistan, officially, of your candidacy and to ask for their support. In the case of the High Commissioner in Karachi, he might be asked to enquire from the Pakistan Government if they have knowledge of any other candidate. This might serve to indicate whether or not there is any possibility that Pakistan has been considering supporting a candidate from one of the Arab countries, such as Dr. Charles Malik of Lebanon.[46]

L.D. W[ILGRESS]

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243. DEA/5475-DW-20-40

Note du sous-secrétaire d'État aux Affaires extérieures pour le secrétaire d'État aux Affaires extérieures

Memorandum from Under-Secretary of State for External Affairs to Secretary of State for External Affairs

CONFIDENTIAL Ottawa, July 18, 1952

PRESIDENCY OF THE SEVENTH SESSION OF THE GENERAL ASSEMBLY

You will note from the attached telegram No. 434 of July 16† from the Canadian Permanent Delegation in New York that Muniz, the Permanent Representative of Brazil, intends to cable his government to suggest that they might canvass other countries with a view to enlisting their support for your candidature. Muniz plans that this action will forstall other candidates and it is presumed that the other countries to which he refers are Latin American countries. Mr. Johnson has thanked Muniz for this friendly gesture and raised no objection to his proposal.

Our Latin American missions have received no information concerning the presidency of the Seventh Session since our circular document of February 8, 1952, which indicated that you were a serious candidate for the presidency but that no campaign was being initiated to gain support for our candidature. In all probability our Heads of Post in Latin America have already indicated informally to the appropriate authorities that you would be willing to serve. They have presumably not gone any further than this. Muniz' proposal again brings this question to the fore and it would appear to me that whether or not the Brazilian Government decide to take the initiative, we should now ask the posts concerned to remind the appropriate authorities of your candidature and to express the hope that they will lend their support. I would not suggest that our Heads of Post in Latin America be asked to make an official approach, similar to that being made to the Indians and the Pakistanis, but I think that an informal approach at this time will be pleasing to the Latin Americans. I should be glad to know whether you agree that instructions to this effect should be sent to our Latin American posts.[47]

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[46] Note marginale :/Marginal note:
Please take action as suggested above. L.B. P[earson]

I have prepared the two attached draft air telegrams for your approval, if you agree to the proposed course of action. One of these telegrams would be for despatch to the Canadian Embassy in Rio de Janeiro and the other telegram could be sent to the remaining posts in Latin America.[48]

L.D. W[ILGRESS]

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244. DEA/5475-DW-20-40

Le représentant permanent auprès des Nations unies au sous-secrétaire d'État aux Affaires extérieures

Permanent Representative to the United Nations to Under-Secretary of State for External Affairs

LETTER No. 1016 New York, August 25, 1952

CONFIDENTIAL

PRESIDENCY OF SEVENTH GENERAL ASSEMBLY

Reference: Your letter No. V-572 of August 19.†

1. In your letter under reference you ask us to let you know whether we consider there are any other steps which might usefully be taken at this stage in connection with Mr. Pearson's candidature for the Presidency of the Assembly.

2. We have, as you know, been hesitant about making judgments of this kind, and we know the Minister's reluctance to embark on any kind of campaign such as other candidates have carried on for similar offices in the past. I do think, however, that the time has come when we should nail down, informally but as firmly as possible, the votes of as many countries as we can. We now know that the Soviet bloc will probably have a candidate, and that they have already begun to campaign among Arab delegations and probably others as

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[47] Note marginale :/Marginal note:
I agree. [L.B. Pearson]

[48] Note marginale :/Marginal note:
Sent 18.7.52.

well (our teletype No. 493 of August 12).† Although I do not suggest that the comparison is really applicable because the major Western Powers are not likely to split on Mr. Pearson's candidature, we have been reminded by a member of the United States Mission interested in supporting Mr. Pearson that Byelorussia almost edged out Greece in the Security Council elections at the last Assembly. Canadian delegations have been told before that they would have had more votes if they had asked for them in time.

3. The present position, according to information available to us in New York, is that we have firm commitments from 13 countries (the 12 mentioned in our letters No. 896 of July 25† and No. 837 of July 10,† plus Peru) and favourable responses from 17 other countries. This does not yet give us a clear majority, even if all the countries which have responded favourably to our approaches vote for Mr. Pearson.

4. The campaign for a Soviet nominee as President will, in our opinion, not make very much headway. We may anticipate that it will be argued on the following grounds:

(a) that the Soviet bloc has never before provided the President of the General Assembly;

(b) that "their turn" is overdue; and

(c) that the election of Mr. Pearson would be turning the United Nations into a "tool of NATO" and would therefore be "provocative".

5. Taking for the moment as gloomy a view as possible, I think it must be conceded that Mr. Santa Cruz might find himself in a position to pick up a substantial number of votes as a compromise candidate in the atmosphere created by a vigorous Soviet campaign against Mr. Pearson's candidature. Though unlikely, this is all the more possible when we bear in mind Mr. Santa Cruz's record in the United Nations on issues concerning economic development and colonialism, which will be preoccupying an important group of delegations. Despite his statement to me that he is for "the best man for the job", namely Mr. Pearson (our teletype No. 378 of June 23),† I do not think he would be the man to miss a favourable opportunity if one were to present itself.

6. On more than one occasion in recent weeks members of both the United Kingdom and United States Delegations here have expressed the hope that we would take early and positive measures to secure as many advance commitments as possible for Mr. Pearson's candidature. Both delegations said that they were sure their governments would be only too glad to make representations on Mr. Pearson's behalf in those capitals where we might not be represented or where we thought that in any case such representations might be helpful to supplement our own.

7. On the basis of Mr. Pearson's instructions to us while he was in New York (our teletype No. 368[49] of June 20 and paragraph 2 of Mr. Reid's teletype No. 218 of June 3) we have not extended our approaches to delegations beyond those whom we approached in Paris towards the end of the Assembly.

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[49] Non retrouvé./Not located.

8. In the light of the above, I suggest that the following concrete steps should now be considered:

(a) The Permanent Delegation in New York should systematically sound out informally all the delegations here whom we have not yet approached, except those who will obviously oppose Mr. Pearson. This would mean approaching an additional 19 delegations in New York in the same vein as our approaches to other delegations.

(b) What further informal approaches might be made through Canadian representatives in countries where we are represented diplomatically and through United Kingdom or United States representatives in other countries whose delegations we shall be approaching in New York. In particular, I think we should approach, through our Embassy in Washington, the Legations of Ethiopia, Iceland, Luxembourg and Yemen which do not have permanent representation in New York and whose Ministers in Washington are listed as accredited to the United Nations.

9. I should be grateful for your instructions.

10. Incidentally, the Netherlands Delegation here think we can safely disregard the Cuban suggestion you mentioned in your letter under reference that the Netherlands might present a candidate.

James George
for Canadian Delegation

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245. DEA/5475-DW-20-40

Mémorandum

Memorandum

CONFIDENTIAL [New York?] October 2, 1952

PRESIDENCY OF SEVENTH SESSION
SUMMARY OF REACTIONS TO DATE

Those countries which have promised to support Mr. Pearson:

Argentina, Australia, Bolivia, Brazil, Canada, Chile, Colombia, Cuba, Denmark, Dominican Republic, Greece, Iceland, India, Israel, Mexico, Netherlands, New Zealand, Norway, Pakistan, Peru, Sweden, Thailand, Turkey, United Kingdom, United States, Uruguay, Venezuela, Yugoslavia Total: 28

2. Those countries which have responded favourably but have made no commitment:

Belgium, China, Costa Rica, Ecuador, Egypt, El Salvador, France, Guatemala, Honduras, Indonesia, Iran, Iraq, Lebanon, Panama, Paraguay, Philippines, Saudi-Arabia, Union of South Africa, Syria
Total: 19

3. Those countries not yet canvassed or which have not commented:

Afghanistan, Burma, Byelorussia, Czechoslovakia, Haiti, Liberia, Nicaragua, Poland, Ukraine, U.S.S.R., Ethiopia, Luxembourg, Yemen
Total: 13

N.B. No other serious candidate has come to light. Although it has been expected that the Soviet Bloc might put up a candidate, Mr. Malik recently said, in a conversation with Mr. David Johnson, that "we are a modest people" and would not put up a candidate.

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246. DEA/5475-DW-20-40

Extrait du télégramme du chef de la délégation à l'Assemblée générale des Nations unies au secrétaire d'État aux Affaires extérieures

Extract from Telegram from Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

TELEGRAM 3 New York, October 15, 1952

CONFIDENTIAL

ELECTION OF OFFICERS

The seventh session got under way Tuesday morning, October 14, with addresses by the Mayor of New York, Warren Austin as Chairman of the Headquarters Advisory Committee, the Secretary General and Padilla Nervo. The Credentials Committee was then appointed. It will be made up of the representatives of Belgium, Burma, Lebanon, New Zealand, Panama, Paraguay, Sweden, USSR, United States.

2. The last item of business for the morning was the election of the President. Mr. Pearson was elected President by the record vote of 51 in favour with 5 abstentions, presumably the Soviet bloc; 4 votes were cast for Mrs. Pandit. According to a member of the Afghan delegation these 4 votes were cast by Afghanistan, Syria, Saudi Arabia and Yemen. Mr. Pearson made a short speech of acceptance to begin the afternoon session, the text of which has been sent to you separately.†

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SUBDIVISION II/SUB-SECTION II

ORGANISMES PRINCIPAUX/PRINCIPAL ORGANS

247. DEA/5475-N-40

Note de la Direction des Nations unies

Memorandum by United Nations Division

[Ottawa,] January 6, 1952

ELECTIONS TO PRINCIPAL ORGANS OF THE UNITED NATIONS

At the first part of the seventh session elections were held to fill vacancies on the Security Council, the Economic and Social Council and the Trusteeship Council. As no vacancies existed on the International Court of Justice no elections were held to that organ. Elections in the United Nations are held by secret ballot and without nominations. It is the practice of the Canadian Government not to announce its votes in these elections. This practice has of course been relaxed in certain instances and a number of countries have been informed confidentially of Canadian support for their candidatures.

Elections to the Security Council. Brazil, Turkey and The Netherlands retired from membership on the Security Council at the end of 1952. To replace these countries the General Assembly elected Colombia, Lebanon and Denmark. Canada supported the successful candidates. The membership of the Security Council for 1953 will be China, France, the U.S.S.R., the United Kingdom, the United States, Chile, Greece, Pakistan, Colombia, Denmark and Lebanon.

Elections to the Economic and Social Council. Canada completed its second term of membership on the Economic and Social Council at the end of 1952. The other retiring members were Czechoslovakia, Iran, Mexico, Pakistan and the United States. On the first ballot the following five candidates were elected to fill five of the six vacancies: Australia, India, Turkey, the United States and Venezuela. The three contenders for the sixth place, none of whom achieved the necessary 2/3 majority on the first ballot, were Czechoslovakia, Pakistan and Yugoslavia. A series of indecisive ballots were then taken and only on the 13th ballot did Yugoslavia receive the necessary 40 votes for election, as against 18 votes for Czechoslovakia. The membership of the Council for 1953 will be Argentina, Australia, Belgium, China, Cuba, Egypt, France, India, Philippines, Poland, Sweden, Turkey, United Kingdom, Uruguay, U.S.S.R., the United States, Venezuela, Yugoslavia. Canada supported all the successful candidates in this election.

Elections to the Trusteeship Council. The retiring members of the Trusteeship Council at the end of 1952 were El Salvador and Iraq. The Assembly re-elected El Salvador and elected Syria in the place of Iraq. Canada supported both successful candidates. The membership of this Council for 1953 will be Australia, Belgium, China, Dominican Republic, El Salvador, France, New Zealand, Syria, Thailand, the United Kingdom, the United States and the U.S.S.R.

SECTION B

DÉMISSION DU SECRÉTAIRE GÉNÉRAL
RESIGNATION OF SECRETARY-GENERAL

248. L.B.P./Vol. 64

Le secrétaire général des Nations unies
au président de la septième session
de l'Assemblée générale des Nations unies

Secretary-General of the United Nations
to President of the Seventh Session
of the General Assembly of the United Nations

New York, November 10, 1952

Dear Mr. Pearson,

I wish to refer to our personal and confidential conversation on the eleventh of September, in which I informed you that I had decided, after lengthy consideration over many months, to submit my resignation as Secretary-General of the United Nations.

It had been my intention — as I informed you then — to take this step at the opening of the Seventh Session of the General Assembly. I have delayed until today, when the Foreign Ministers of the five Permanent Members of the Security Council are all present for the first time during this session, in the hope that this will facilitate agreement on my successor.

I shall be grateful if you would propose as a new item on the agenda "Appointment of the Secretary-General".

Yours sincerely,

TRYGVE LIE

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249. L.B.P./Vol. 64

Le secrétaire d'État aux Affaires extérieures
au premier ministre

Secretary of State for External Affairs
to Prime Minister

PERSONAL. CONFIDENTIAL. Ottawa, December 29, 1952

Dear Mr. St. Laurent,

I have been meaning to write you for some time concerning a development at the recent United Nations Assembly which is of great significance for the world organization, and *may* have some special significance for myself. I am referring to the notice of resignation given by the Secretary-General, Mr. Lie, last November. I am not myself certain that this notice will result in Mr. Lie's actual departure. It may be that if agreement on a successor is impossible, Mr. Lie will be persuaded to remain for a further and longer term of office. There are some cynical people who even suggest that he had this in mind in raising the issue, and that the impossibility of agreement on a successor will make it possible for him to lay down his own conditions for a renewed contract. He may have had this in the back of his mind, but I think myself that he was also sincere in announcing his intention to resign. The two things are not necessarily incompatible.

So far as Mr. Lie's successor is concerned, there have been as yet none of the discussions between the permanent members of the Council which are essential if a nomination is to emerge from the Security Council. However, if Mr. Lie persists in his resignation, steps will soon have to be taken which will either result in agreement on a successor, or prove that no such agreement is possible. The Russians are so anxious to get rid of Lie that it is possible that they may accept almost anyone to succeed him if they are pressed hard enough by the British and the Americans. Before this happens, however, they are bound to put forward a number of candidates who will not be acceptable to Washington or London or Paris, even though some of them may not provoke a veto. Among these candidates, the names most frequently mentioned are Rómulo (Philippines), Entezam (Iran), Nervo (Mexico), and myself. Certainly the Russians would never agree to me unless agreement on any other candidate is impossible, in which case they *might* accept me as the last alternative to the re-appointment of the present Secretary-General.

Though the contingency, therefore, is a remote one, I think I should let you know that if my name did come from the Security Council for recommendation to the Assembly, as the only person on whom they could agree, I would not, I think, be able to refuse the nomination. As I see it, the situation is not the same as that which arose over the NATO Secretary-Generalship where there was no possibility of a deadlock on candidates, and where the Organization had such a close and direct relationship to us that the position of a Canadian as Secretary-General might be misunderstood in our own country and complicate Canadian policy to NATO.[50]

I mention this matter now, not because I think I am likely to be confronted with the problem it involves, but because I feel that I should tell you in advance how I would be disposed to act in case such a development occurred. I would, of course, take no final action without consulting you.[51]

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[50] Voir le document 428./See Document 428.

[51] L'original porte la mention suivante :
The following was written on the original:
not sent but discussed.

SECTION C

INSTRUCTIONS À LA DÉLÉGATION CANADIENNE
INSTRUCTIONS TO THE CANADIAN DELEGATION

SUBDIVISION I/SUB-SECTION I

GÉNÉRALITÉS/GENERAL

250. DEA/Library

Communiqué de presse

Press Release

No. 60 [Ottawa, n.d.]

FOR RELEASE IN PAPERS OF SATURDAY, SEPTEMBER 20, 1952

The Secretary of State for External Affairs today announced the composition of the Canadian Delegation to the Seventh Session of the General Assembly of the United Nations, which opens in New York on October 14. The Delegation is as follows:

Representatives:

Mr. L.B. Pearson, M.P., Secretary of State for External Affairs
(Chairman of the Delegation)
Mr. Paul Martin, M.P., Minister of National Health and Welfare
(Vice-Chairman of the Delegation)
Senator Gordon B. Isnor
Mr. A.Y. McLean, M.P.
Mr. D.M. Johnson, Canadian Permanent Representative to the United Nations, New York

Alternate Representatives:

Mr. C.P. Hebert, Canadian Ambassador to Mexico
Mr. K.W. Taylor, Assistant Deputy Minister of Finance
Mr. J. Leger, Assistant Under-Secretary of State for External Affairs
Mr. Edgar McInnis, President of the Canadian Institute of International Affairs
Mrs. Louis Berger, Executive Secretary of the Canadian Cancer Society, Quebec Section

Advisers for the Delegation will be drawn from the Department of External Affairs and the Department of Finance in Ottawa, and from the Canadian Permanent Delegation to the United Nations in New York. Parliamentary observers will be added to the Delegation and their names will be announced in a later release.

251. PCO

Note pour le Cabinet

Memorandum to Cabinet

SECRET [Ottawa,] October 8, 1952

It is recommended that the following general instructions be approved as guidance for the Canadian Delegation to the seventh session of the General Assembly of the United Nations:

General

There is no reason to believe that the seventh session of the General Assembly will witness any progress towards general solution of the differences between the Soviet world and the free world. No action should be taken by the United Nations, nevertheless, which would gravely prejudice the possibility of a satisfactory accommodation in the future. As the United Nations still provides opportunities for contacts between the Cominform states and the rest of the world and as the withdrawal of the Soviet Union from the United Nations would only lead to breaking off this contact without in any way altering the present world balance of power, the Delegation should not support any initiative which would force the Soviet Union from the organization.

2. There is another cleavage within the ranks of the United Nations which is potentially almost as dangerous as the rift between Soviet and non-Soviet nations — the cleavage between the countries of the West and the countries of Asia, Africa and Latin-America. It is increasingly obvious that if Soviet expansionism is to be resisted the active support or, at least, the benevolent neutrality of the nations of Asia and Latin-America must be secured and maintained. A subsidiary but important reason for seeking the active goodwill of the under-developed countries is that their votes are required at the General Assembly or other United Nations organs to ensure a majority for resolutions to which the West attaches great importance, particularly in politico-strategic questions such as Korea. In the past, the debates and decisions of the United Nations have tended to widen the gap between the Western countries and the others. At the seventh session of the General Assembly the Arab and Asian countries, supported in many issues by the Latin Americans, will fervently urge courses of action unpalatable, perhaps unacceptable to one or more of the important Western countries. The agenda items on Tunisia, South Africa and on colonial questions will bring these differences into sharp focus. It seems certain that on a number of specific agenda items the Canadian attitude will not coincide with that of the Asian and Latin-American nations and that the Canadian Delegation will not be able to offer these countries its unqualified support. Nevertheless, a constant effort should be made to give them as great a measure of satisfaction as is consistent with Canadian defence and political interests and to seek their sympathetic understanding of the Canadian position. The goal of decreasing the differences between the West and the countries of Asia and Latin-America should remain constant even though it is fully

recognized that the Delegation will not be in a position to serve this aim on every occasion.

3. The battle of propaganda between the Soviet and the Western delegations may be expected to follow its usual course at the seventh session. In discussions among a number of friendly countries it has been decided that the Western propaganda theme which has most justification and which would be most effective would be to deplore and protest against the incessant stream of Cominform hate against the United States and other Western countries. The United Kingdom Delegation has agreed to take a lead in pointing out the discrepancy between the much-publicized Communist "Peace Campaign" and the actual campaign of hate which the Soviet Union and its associates are conducting. It would be appropriate for the Canadian Delegation to allude to the hate campaign on suitable occasions but it would not be desirable for the Delegation to play too active or prominent a role in the propaganda struggle.

Disarmament

4. The Disarmament Commission, which was set up by the General Assembly at its last session to replace both the former Atomic Energy Commission and the Commission on Conventional Armaments, has so far made no progress in breaking the continued deadlock between the fundamentally opposed and as yet unreconciled positions of the Soviet Union and the Western Powers. The Soviet representative in the Commission has refused to modify by a single detail the unacceptable Soviet proposals submitted to the last Assembly and has declined either to table further proposal or to discuss seriously the proposals so far put forward by the Western Powers. In the Commission's deliberations Canada has expressed general support for the most important Western proposals so far submitted to the Commission — that on the numerical limitation of all armed forces.

5. The report of the Commission is consequently a rather colourless summary of the meetings it has held and the proposals it has discussed and contains neither conclusions nor recommendations. If on the basis of this report an undramatic resolution is introduced at the Assembly contrasting the Soviet and Western attitudes shown in the Commission, approving the initiatives taken by the Western Powers and instructing the Commission to continue its work on the basis of the instructions from the sixth session of the Assembly and the working papers already before it, the Delegation should support such a resolution. If, however, the Soviet Union attempts to link the disarmament issue with the "peaceful co-existence" theme in a general propaganda offensive, it will probably be necessary for the Delegation to take a more active line. In this case, the Delegation should be prepared to assist in exposing the intransigence of the position so far taken by the Soviet Union on disarmament, while at the same time making clear our readiness to examine any reasonable proposals that are made. It should also be emphasized that the consistent refusal of the Soviet representative in the Disarmament Commission to discuss seriously the proposals so far submitted by the Western Powers may effectively

prevent the further development of these proposals into a comprehensive disarmament plan.

Collective Measures

6. The studies which the General Assembly instructed the Collective Measures Committee to continue this year on methods which might be used to maintain and strengthen international peace and security in accordance with the purposes and principles of the Charter have not resulted in any substantial additions to the conclusions and recommendations embodied in the Committee's previous report. In its report to the seventh session of the Assembly the Committee has recommended that an appropriate United Nations body should continue general studies on this subject and should keep under review the progress of member states in preparing for participation in United Nations collective action.

7. The Delegation should continue to be guided by the basic principle that was accepted last year, namely, that the United Nations, though not the appropriate body to direct actual military operations, should in the event of a general war be used by the Western Powers as an agency for securing the maximum support from states not directly and initially participating in military operations. The Delegation may therefore support adoption of the Collective Measures Committee's report, emphasizing that in doing so the Canadian Government is only recommending certain lines of procedure to be followed in the event of the United Nations taking collective action in the future and is not agreeing now to undertake any specific commitments in those circumstances. The Delegation may also state that in view of its existing commitments in Korea and of the obligations arising out of participation in the collective defence effort of NATO, the Canadian Government does not at present contemplate the recruiting and organization of further units of its armed forces for service with the United Nations, but that present Canadian legislation would enable the Canadian Government to carry out such economic and financial measures against an aggressor as might be called for by the United Nations, provided they were considered appropriate by the Canadian Government and approved by Parliament.

Tunisia and Morocco

8. A separate memorandum on these important agenda items has been prepared.

Asian Questions

9. The only Asian question of major importance on the agenda is that concerning Korea. A separate memorandum has been prepared on this subject. It follows immediately after this memorandum in the Commentary. In recent sessions of the Assembly the impact and force of the underdeveloped countries of Asia most of which have recently emerged from colonial status have been a conspicuous feature. Their influence, generally aligned against the policies pursued by most Western countries, has been particularly noticeable in consideration of items relating to economic development, human rights and the

evolution towards self-government of dependent territories. Of more recent origin is the appearance of the Arab-Asian bloc — an association of the Arab states with the countries of the Indian sub-continent and South East Asia. This group, normally comprising thirteen states, possesses common objectives and a common determination to advance towards these objectives. Usually it will have the support of the Soviet group and frequently that of the Latin-Americans. The motives of the component countries of the bloc run from malicious resentment through calculated self-interest to genuine, well-intentioned purposes conceived and pursued in good faith. Regardless of motives, the Arab-Asian bloc is a force increasingly to be reckoned with and lived with: the Delegation would do well on any question of importance to consider what the likely reaction of this bloc will be and to make efforts, within the bounds of good sense and legitimate national interest, to meet partway or help to guide the purposes of the Arab-Asians.

Palestine Questions

10. In matters relating to the Palestine dispute the Canadian Delegation should aim at solid rather than rapid progress in broadening the areas of agreement between Israel and its neighbours. For this purpose it should co-operate with delegates who understand the problems of both parties and have an unaffected sympathy for both, and keep in touch with moderates in the Assembly who may have special influence either with the Arabs or with Israel. On both sides grievances are genuine, cut very deep, and are seriously aggravated by a sense of past or present persecution which intensifies the fear of future injustice. This makes it very difficult for either Arabs or Israelis to think in terms of mutual accommodation. Well-informed, unexcited, fair and friendly help from other delegations is needed if the balance is to be kept steady.

11. At Paris in January 1952 both sides offered to engage in negotiations for a peace settlement but neither recognized the validity of the other's offer. Israel insists that a peace settlement must grow out of the *status quo* which is governed by the 1949 armistice arrangements. The Arabs, on the contrary, remind the Assembly that the armistice agreements were not to prejudice the terms of the ultimate peace settlement. They point out that *status quo* does not conform with past recommendations of the General Assembly and say that the starting point for any peace settlement should be the implementation of past Assembly resolutions. Israel replies that before the Assembly makes recommendations the parties to the dispute should themselves try to reach agreement. The Arabs respond that this is not the position the Jewish Agency took in 1947 when the United Kingdom Government suggested that the Assembly should seek agreement between Arabs and Jews as a basis for its recommendations for the future government of Palestine. This argument will be continued during the seventh session.

12. Israel now controls the area earmarked for a Jewish state in the Assembly's partition resolution of November 1947, as well as half of the territory which was to have comprised an Arab state. This has meant

additional displacement of Arabs. The Arab states are asking not only for boundary adjustments which would automatically permit many of the 800,000 refugees to return to their former homes but also for implementation of Assembly resolutions on repatriation of refugees to territory which will continue to be under Israel's control. In January 1952, however, they accepted for the first time the principle of resettlement of refugees in Arab countries without prejudice to their right to ultimate repatriation. In July and August of this year, Arab political leaders toured the refugee areas openly preaching, for the first time, the doctrine of resettlement, which was confirmed in September by the Council of the Arab League. Now that this concession has been obtained from the Arabs the next objective should be to secure the release of blocked funds of Arab refugees in Israeli banks and to achieve agreement on the procedure to be followed in arranging for compensation of refugees for abandoned property. (Israel has acknowledged from the outset its moral obligation to make suitable compensation.) Success in agreeing on these two matters during the seventh session should relieve to some extent the existing tensions in the Middle East and be conducive to later agreement between Israel and the Arab states on other outstanding issues.

13. Although Israel would prefer direct, separate bilateral negotiations with its neighbours, the Arabs are anxious to have the continued aid of the United Nations, and this should not be denied. The Canadian Delegation should continue to support the principle that although the governments concerned have primary responsibility for settling their outstanding differences, United Nations facilities must continue to be provided to aid them.

Economic Questions

14. The main economic issue which has in the past been the subject of so much controversy and unfortunate conflict between the industrialized and the under-developed countries of the world, has been the question of an international development fund. Since ECOSOC at its fourteenth session decided unanimously, except for the Soviet Bloc, to appoint a committee of experts to carry out the General Assembly's directive to draw up detailed plans for such a fund and since the report of the experts cannot be submitted until next year, this subject, although it appears on the agenda, should not present its usual difficulties.

15. The under-developed countries in ECOSOC, having initiated the proposal for an expert committee and therefore for a postponement of the issue, are hardly likely to attempt to reverse the Council's decision in the General Assembly. It is to be hoped that the item will be dealt with in a routine manner as being procedural in nature. The Delegation should do what it can to discourage general discussion on the substance of the issue on the grounds that such discussion would be premature and time-wasting pending the report of the experts.

South Africa

16. There are three items affecting South Africa on the agenda. On the first, *South West Africa* the U.N. *Ad Hoc* Committee on South West Africa is now conferring in secret with representatives of the South African Government on ways and means of implementing the advisory opinion of the International Court of Justice. If the *Ad Hoc* Committee recommends that these negotiations be continued for a third year, the Canadian Delegation should support this recommendation. If, however, the *Ad Hoc* Committee reports no progress, the Delegation should continue Canada's present policy of being critical of South Africa's attitude since it is the Canadian view that advisory opinions of the International Court should be accepted in the interests of promoting the rule of law and enhancing the prestige of the Court. During the past year there has been no progress on the second question, *Treatment of People of Indian Origin in the Union of South Africa.* Direct negotiations between the governments concerned would be the best way of reaching a settlement; failing this, Canada has consistently advocated that the dispute should be referred to the International Court for an advisory opinion on the law and the facts of the dispute. On the third problem of *Race Conflict in South Africa,* if a vote cannot be avoided on an Indian or an Arab-Asian resolution disapproving of South Africa's apartheid policy, the Canadian Delegation should support the resolution unless it is phrased in extreme terms. A separate memorandum has been prepared on this subject.

Questions of Dependent Territories

17. The seventh session of the Assembly will have before it various items regarding colonial and trust territories, many of which are of a technical nature relating to the administration and to the social, economic and educational conditions of these territories. Certain themes will however predominate and chief among these will be the efforts of the non-administering states to dictate to the Trusteeship Council the way in which it should carry out its work. They will also try to extend the terms of reference of the Committee on Information from Non-self-governing Territories which examine information submitted by administering states on economic, social and educational conditions in their colonial possessions. It is the Canadian view that the Assembly should decide on broad matters of policy regarding trust territories and leave to the Trusteeship Council the right to deal with the administrative details. The provisions of the Charter regarding non-self-governing territories are specific in describing the information to be transmitted by the administering states and the attempts which have been made in the past by some of the anti-colonial powers to persuade the administering states to transmit political information have been, in effect, an attempt to amend the provisions of the Charter. The move to amend the Charter insofar as non-self-governing territories are concerned would require the concurrence of the administering states if the amendment were to have any effective value. The Canadian Delegation should therefore oppose any attempt to widen the terms of reference of the Committee on Information or the scope of the Charter provisions unless this extension is approved by the administering states themselves.

18. An important feature of recent sessions has been the generally acrimonious atmosphere in the Fourth or Trusteeship Committee of the Assembly. A large group of non-administering powers consider that the states which are responsible for the administration of dependent territories are not making a sincere effort to achieve in these territories the goal of self government or independence envisaged in the Charter. Beside this group of states which are genuinely concerned about the future of dependent territories is ranged a number of states which for various reasons is glad to seize any opportunity to criticize the administering authorities. As a result, the work of the administering states is, at each session of the Assembly, subjected to close scrutiny and criticism and the gap between the positions of these two opposing factions is becoming increasingly apparent.

19. In the past Canada has tried to bring about some measure of agreement between these two groups by seeking to modify the stands of both sides. Efforts of this nature should continue to be of constant concern to the Canadian Delegation when colonial and dependent territories are being discussed at the seventh session.

Legal Questions

20. The most important legal questions on the agenda are those concerning the draft Code of Offences against the Peace and Security of Mankind, the allied question of defining aggression, and the proposed establishment of an international criminal court. The draft Code, which has been prepared by the International Law Commission, consists of a list of political offences applicable to individuals, in some cases acting as government agents and in other cases in their personal capacities. The question of defining aggression was first raised in the United Nations by the Soviet Delegation at the fifth session of the Assembly. Neither the International Law Commission nor the Legal Committee of the Assembly at last year's session were able to agree on a satisfactory definition. The proposed statute for an international criminal court would, when approved, establish a criminal court to try persons accused primarily of international political crimes. It will then be open to individual governments to accept the jurisdiction of the court by adhering to separate conventions designed for that purpose.

21. The Canadian Delegation should co-operate in the drafting of the Code and of the statute for the court, both of which, it is considered, should be submitted to governments before they are finally approved by the Assembly. An attempt to define aggression in the present state of international distrust and suspicion is fraught with difficulties and dangers. Almost any definition would not be an exhaustive one and, therefore, Cominform states might plan any future aggressive moves, whether of a direct or indirect nature, so as to circumvent the terms of any definition approved by the Assembly. Nevertheless, if the United Kingdom, the United States and other NATO powers decide that it is necessary to answer Soviet propaganda and to satisfy other important friendly delegations, to attempt to arrive at a satisfactory definition, the Canadian Delegation should co-operate to this end.

252. PCO

Extrait du procès-verbal des conclusions du Cabinet
Extract from Minutes of Cabinet Conclusions

TOP SECRET [Ottawa,] October 9, 1952

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UNITED NATIONS GENERAL ASSEMBLY; INSTRUCTIONS TO CANADIAN DELEGATION TO THE SEVENTH SESSION

29. *The Secretary of State For External Affairs* submitted recommendations concerning instructions to the Canadian delegation to the Seventh Session of the General Assembly of the United Nations.

Explanatory memoranda had been circulated.

(Minister's memoranda dated Oct. 8 and Oct. 6, 1952 and attachments — Cab. Docs. 319-52,[52] 320-52,[53] 321-52[54] and 324-52[55]).

30. *Mr. Pearson* commented as follows:

(a) *General Instructions*

The session promised to be a difficult one with a sharper Soviet propaganda offensive as part of their "hate" campaign against the United States. A more dangerous cleavage for the West than that between the Soviet and non-Soviet countries was, however, that between the West and the countries of Asia, Africa and Latin America. The delegation should constantly have in mind the importance of decreasing the difficulties between the West and those countries, even though it would not be in a position to serve that aim on every occasion. On disarmament, the delegation might support a resolution based on the report of the Disarmament Commission approving the initiatives taken by the Western powers. If the Soviet attempted to link the issue with the "peaceful co-existence" theme, the delegation might take a more active line in assisting to expose the intransigence of the position of the Soviet on disarmament. On collective measures the delegation should continue to be guided by the basic principles accepted last year. In matters relating to the Palestine dispute the delegation should aim at solid, rather than rapid, progress in broadening the areas of agreement between Israel and its neighbours. In questions relating to dependent territories, the delegation should continue the effort to bring about some measure of agreement between the administering states and the non-administering group. Other instructions were outlined in relation to legal and economic questions and other matters.

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[52] Voir le document 293./See Document 293.
[53] Voir le document 139./See Document 139.
[54] Voir le document 288./See Document 288.
[55] Voir le document précédent./See preceding document.

(b) *Tunisia and Morocco*

Questions on Tunisia and Morocco would raise a number of delicate issues. The delegation should endeavour to go some way to satisfy the Arab and Asian nations that their interest in the struggle of colonial peoples was not being ignored while, at the same time, preventing any action that might produce a crisis in France. The Canadian representative should vote in favour of including the item on the agenda; either abstain or vote in favour of competence depending on circumstances; and might support a mild type of resolution noting the progress in Tunisia under French protection and expressing the hope that further constitutional reforms would be worked out by peaceful co-operation between the two parties. A similar and consistent attitude should be adopted in relation to the Moroccan question.

(c) *South Africa*

Three items would be on the agenda; one relating to South West Africa; one to the treatment of people of Indian origin in the Union of South Africa; and an item sponsored by all 13 Arab-Asian countries concerning the race conflict in South Africa. The first two did not present as great difficulties as the third. With regard to it, it was recommended that the delegation abstain on the vote whether the item be included on the official agenda; that it support a resolution, if proposed, to refer the question to the International Court; that if a vote on an Indian or an Arab-Asian resolution expressing disapproval of South Africa's apartheid policy could not be avoided, the Canadian delegation support it if it were in reasonable terms.

(d) *Korea*

Basic Canadian policy was to limit hostilities to the Korean peninsula and to support proposals which would facilitate the armistice negotiations, while at the same time opposing demands for the forcible repatriation of prisoners of war. The United States was considering a two-stage proposal: the first a resolution endorsing the stand taken by the United Nations negotiators in Korea and calling on the communists to accept it; and the second, following the expected negative reply or failure to reply by the Communists, a proposal calling for action by the Additional Measures Committee and the General Assembly for further political and economic sanctions against communist China and North Korea. It was recommended that the delegation support the first resolution, if put forward, but strongly resist the introduction in it of any kind of ultimatum to the communists. It should be made clear that this support did not imply any commitment to support the second stage if the United States followed through with it. The delegation should point out the dangers in the Secretary-General's proposal for an appeal for more volunteers for Korea. If the Mexican proposal on asylum for prisoners were brought forward, the delegation should not oppose it but make an effort to ensure that the commitment to give asylum would be the primary responsibility of those countries that had not been able to send military forces to Korea.

31. *The Prime Minister* said that, so far as the instructions relating to the agenda item on race conflict in South Africa were concerned, the delegation should not be authorized to vote in favour of a resolution expressing disapproval of the South African policy without having referred the actual text of the resolution to Ottawa for consideration. The same applied with regard to possible support for resolutions concerning Tunisia and Morocco. In each case reference should be made for further direction.

32. *The Minister of National Defence* thought the second stage of the proposed United States action with regard to Korea was extremely dangerous. There was nothing that held out so much prospect for an extension of hostilities and for bringing on a general war. Any attempt at sanctions or blockade would lead to retaliation and possible Soviet intervention. The delegation should do everything possible to see that the United States did not bring this second stage before the Assembly. With regard to the Secretary-General's proposal of a call for volunteers, the paragraph in the instructions that the Canadian delegation had "no authority to give any commitment regarding the dispatch of additional Canadian forces to Korea" was too mild. There could be no consideration of such a possibility.

33. *The Cabinet*, after considerable discussion, approved the recommendations of the Secretary of State for External Affairs concerning the general instructions to the Canadian delegation to the Seventh Session of the General Assembly of the United Nations and the particular instructions relating to questions on Tunisia and Morocco on race conflict in South Africa and on Korea; with the understanding that the delegation be directed not to support a substantive resolution concerning the situation in Tunisia or Morocco or a resolution expressing disapproval of South Africa's apartheid policy without first referring the texts of such resolutions to Ottawa for further consideration by the Cabinet.

SUBDIVISION II/SUB-SECTION II

COMMISSION DE CONCILIATION POUR LA PALESTINE
PALESTINE CONCILIATION COMMISSION

253. DEA/50134-40

Note du chef de la délégation à l'Assemblée générale des Nations unies pour le chef adjoint de la délégation à l'Assemblée générale des Nations unies[56]

Memorandum from Chairman, Delegation to the General Assembly of the United Nations, to Vice-Chairman, Delegation to the General Assembly of the United Nations[56]

[New York], October 24, 1952

Mr. Eban and Mr. Lourie[57] of the Israeli Delegation called to see me this afternoon to discuss the Arab-Israel items on the agenda of the Ad Hoc committee. They expressed the hope that no resolution would be passed by the committee which would complicate and make more difficult the work of Arab-Israel pacification, especially as there were some signs now of progress in this direction on the spot. Therefore, the Israeli Delegation hope that at the proper time a resolution could be introduced and sponsored by some "neutral" delegations, which would merely instruct the parties to the dispute to meet together with a view to the solution of outstanding problems. He did not think that the United Nations could profitably intervene again in this matter, but he did think that a U.N. resolution, telling the parties to get together, would have a fairly good prospect of implementation; as the Egyptians especially, under the new regime, might be glad to use such a resolution to justify direct talks to their own people.

He also hoped that no steps would be taken to enlarge the Palestine Conciliation Commission, but that the work of the present Commission could be endorsed and that it could be asked to get ahead with that work.

I told Mr. Eban that I was sure that you and other members of the delegation would be glad to talk with him about these ideas, which commanded my own sympathy. He will, therefore, no doubt be getting in touch with you shortly.

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[56] Une annotation indique que la note a été aussi envoyée au représentant permanent auprès des Nations unies.
A note indicates that the memorandum was sent also to the Permanent Representative to the United Nations.

[57] Arthur Lourie, envoyé extraordinaire et plénipotentiaire de la délégation permanente d'Israël auprès des Nations unies; membre de la délégation à la septième session de l'Assemblée générale.
Arthur Lourie, Envoy Extraordinary and Plenipotentiary, Permanent Delegation of Israel to the United Nations; Representative, Delegation to the Seventh Session of the General Assembly.

L.B. PEARSON

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254. DEA/50134-40

Le chef de la délégation à l'Assemblée générale des Nations unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

TELEGRAM 134 New York, October 31, 1952

CONFIDENTIAL

GENERAL ASSEMBLY — PALESTINE ITEMS

Reference: Perm. Del. telegram No. 616 of September 24.[1]

Addressed External No. 134, repeated Beaver No. 30.

Following from Johnson, Begins:

1. Eban of Israel gave a lunch today for representatives of Australia, Norway, the Netherlands and Canada. Eban's purpose was to give this small group Israel's views with regard to the handling of the remaining Palestine items on the agenda of the Ad Hoc Committee.

2. Eban then repeated what he had previously told me, namely that it was Israel's hope that the General Assembly's main recommendation would be to call on the parties to sit down and negotiate a settlement among themselves. He gave much the same reasons as he gave me at our previous interview. He stressed the fact that settlements of disputes between independent States can only be reached by negotiation. He cited Israel's recent agreement with West Germany as an example of what he had in mind. In the present day there were hardly any other example of States refusing to talk to each other or communicate in any way.

3. Eban's main reason for suggesting that the General Assembly should take this line is that he is even more hopeful now than he was at our previous interview that Israel could sit down with Egypt and make some progress towards a settlement. He said that when Syria heard of the overtures which Israel had made to Egypt, Syria, afraid that its interests might be ignored by Egypt in any settlement, had a talk with Israel under the aegis of General Riley.

4. To show what Israel has in mind, Eban circulated a draft resolution the text of which is set out in my immediately following telegram.

5. Eban then turned to the question of sponsorship. In the past, he said, the United States, United Kingdom, France and Turkey had usually sponsored resolutions on the Palestine problem. He doubted if that course would be advisable now. France has more than its share of troubles with the Arab States and the United Kingdom is embroiled with Egypt. Eban's hope is that a group

of central [neutral?] States[58] might sponsor a resolution along the lines suggested by him. He has in mind the States represented at the luncheon, namely Australia, the Netherlands, Norway, Canada, and one or two Latin American States, for example Brazil and Mexico.

6. Eban said that he had spoken to Ross and Barco of the United States mission about this matter. They indicated that they sympathized with the objective Eban had in mind but did not wish to comment on the terms of the resolution or the tactics to be employed. Eban has also spoken to Ordonneau of France and Baran of Turkey.

7. The representatives of Australia and Norway indicated that they approved the objective which Eban had in mind but naturally did not wish to make any comment on the language of the draft resolution or the question of sponsorship. No other representatives made any comments of any importance.

8. Eban hoped that the question of Jerusalem would not be raised. If, however, it is raised, he hopes it will be raised in a constructive manner. For example, he said the question whether or not the Israeli Foreign Office should be moved to Jerusalem is not the Jerusalem question. Already eighteen government departments are in Jerusalem and it is a question for the Israeli Government to decide whether the nineteenth, namely the Foreign Office, should also be there. Israel he said would be quite happy to accept either of the following solutions to the Jerusalem problem which had previously been suggested, namely:

(a) A United Nations Commission to administer the Holy Places, or

(b) An enclave under United Nations sovereignty which would include the Holy Places.

9. Naturally I hope to discuss these questions with Mr. Pearson and Mr. Martin, but I shall welcome any comments you may have to make with regard to the advice which I might give to them. Ends.

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255. DEA/50134-40

Le chef de la délégation à l'Assemblée générale des Nations unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

TELEGRAM 135 New York, October 31, 1952

CONFIDENTIAL

GENERAL ASSEMBLY — PALESTINE ITEMS

Reference: My immediately preceding telegram.

Addressed External No. 135, repeated Beaver No. 31.

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[58] Note marginale :/Marginal note:
neutral?

Following from Johnson, Begins:

Draft Resolution

Violation by Arab States of their obligations under the Charter, United Nations resolution and specific provisions of the General Armistice Agreement, concluded with Israel, requiring them to desist from policies and practices of hostility and to seek agreement by negotiations for the establishment of peaceful relations with Israel.

The General Assembly

REAFFIRMING that it remains the primary duty of all members of the United Nations, when involved in an international dispute, to seek settlement of such a dispute by peaceful means through the procedures laid down in the Charter;

RECALLING that the past resolutions of the United Nations have called upon the parties to extend the scope of the existing General Armistice Agreements and to achieve at an early date agreement on final settlement of their outstanding differences;

CONSIDERING that it is the principal purpose of the United Nations in the Palestine question to promote the early establishment of normal and stable relations between the State of Israel and the Arab States;

CONSIDERING that the governments concerned have the primary responsibility for reaching a settlement of their outstanding differences;

TAKING NOTE of the recommendation of the Conciliation Commission for Palestine contained in its supplementary report dated 23 October 1950 (A/1367 REV.1) and repeated in subsequent reports, that "the General Assembly should urge the parties to engage without delay in direct discussions, under the auspices of the United Nations and with its assistance, in order to arrive at a peaceful settlement;"

NOTING with concern the statement contained in paragraph A.85 of the conclusions of the progress report of the Conciliation Commission for Palestine for the period from 23 January to 19 November 1951 (A/1985) that "the Arab Governments in their contacts with the Commission have evinced no readiness to arrive at such a peace settlement with the Government of Israel;"

FINDS that the continuance of this unsettled situation four years after the termination of hostilities endangers international peace and security in the area and impedes the prospects of social progress and economic development in the Far East;

EXPRESSES its belief that the establishment of direct contacts between the parties involved in this dispute is the precondition for its peaceful settlement;

URGES the parties to refrain from any hostile acts, to abstain from threats to the territorial integrity and political independence of any State, and to desist from any other hostile activities inconsistent with the principles and purposes of the Charter of the United Nations and the General Armistice Agreements;

CALLS upon the Arab States and Israel to enter without delay into direct negotiations for the establishment of peaceful and neighbourly relations with a view to the attainment of permanent peace in the Near East. Ends.

256. DEA/50134-40

Extrait du télégramme du secrétaire d'État aux Affaires extérieures à la délégation permanente des Nations unies

Extract from Telegram from Secretary of State for External Affairs to Permanent Delegation to the United Nations

TELEGRAM 456 Ottawa, November 4, 1952

CONFIDENTIAL. IMPORTANT

GENERAL ASSEMBLY — PALESTINE ITEMS

Reference: Your telegrams 134 and 135 of October 31, 1952.

1. We have considered Eban's suggestions carefully and have the following observations to make:

2. Israel's hopes of early negotiations with the new Egyptian government seem not unreasonable. The moderation and practical good sense shown by Naguib[59] last week in handling Egyptian public opinion on the extremely delicate Sudan issue mark him out as a leader of ability who is ambitious to establish Egypt's external relations on a normal working basis. We now have to decide what form of Assembly resolution would be most likely to expedite an agreement between Egypt and Israel.

3. Since December 1948 the Assembly has made a practice of calling on the parties to settle outstanding issues either by direct negotiations, for which Israel has been asking for the past two years, or by negotiations through the Conciliation Commission, on which the Arabs have come to rely for protection of their rights under the terms of past Assembly resolutions. Israel wants direct negotiations to be based on the armistice agreements of 1949. The Arabs object because the armistice agreements have nothing to say on the question of the rights of refugees, to which the Conciliation Commission has given constant attention. Eban's draft resolution calls only for direct negotiations between the parties, without mentioning the alternative of negotiations through the Conciliation Commission.

4. For this reason the Arabs are likely to react rather strongly to operative paragraphs 2 and 4 of the proposed draft. They will also object that the second recital of the preamble invokes only past Security Council resolutions relating to the armistice agreements and ignores the broader recommendations of the Assembly itself. They will want to have the final recital of the preamble either thrown out or broadened to include references to paragraphs 83, 84 and 86 of

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[59] Mohammed Naguib, premier ministre de l'Égypte et ministre de la guerre.
Mohammed Naguib, Prime Minister of Egypt and Minister of War.

the Conciliation Commission's report to balance the reference to paragraph 85.[60]

5. We approve the Israeli objective of fostering direct negotiations, as pointed out in paragraph 13 of the general instructions accompanying the Commentary.[61] It is also our feeling, however, that any Assembly resolution should continue to recognize the role of the Conciliation Commission and that deliberate omission of such a reference, as well as other features of the draft resolution, would impede rather than improve the prospects of direct negotiations taking place, in view of the Arab interest in maintaining the Assembly's role in the question. It is not improbable, for example, that Naguib would find it easier to engage in the desired negotiations with Israel if there is no sudden reversal of policy by the Assembly to arouse general resentment in the Arab world. A resolution similar to that of January 26, 1952 would have the double advantage of making it easier for Naguib to negotiate with Israel and of consolidating the gains recently made by the Conciliation Commission in breaking the long deadlock over the settlement of refugee property claims. We should, however, be interested to know if you see any possibility of meeting Eban's desire for greater emphasis on the principle of direct negotiation without upsetting the delicate balance achieved through the resolutions adopted during the sixth session.

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257. DEA/50134-40

Le chef de la délégation à l'Assemblée générale des Nations unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

TELEGRAM 314 New York, November 18, 1952

SECRET

GENERAL ASSEMBLY — PALESTINE ITEMS

Reference: My teletype No. 135 of October 31, 1952

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[60] Les paragraphes 83, 84 et 86 signalent que la Commission de conciliation avait fait peu de progrès dans les démarches entreprises en vue d'aider les parties à résoudre leurs différends, parce qu'elles n'étaient guère disposées à appliquer les résolutions de l'Assemblée générale qui régissaient les travaux de la Commission. Le paragraphe 84 signale qu'Israël n'a pas autorisé le retour des réfugiés. Le paragraphe 85 signale la répugnance des gouvernements arabes à régler la question avec Israël. Le paragraphe 86 signale que la Commission de conciliation est disposée à poursuivre ses efforts de médiation.
Paragraphs 83, 84 and 86 note that the Conciliation Commission had made little progress in helping the parties resolve their differences because of their unwillingness to implement the General Assembly resolutions under which the Commission operated. Paragraph 84 notes Israel's failure to permit the return of refugees. Paragraph 85 notes the Arab governments' reluctance to settle the question with Israel. Paragraph 86 expresses the Conciliation Commission's willingness to continue its mediation efforts.

[61] Voir le document 251./See Document 251.

Addressed Ottawa No. 314, repeated Washington No. 94.

Following for Johnson, Begins:

1. Eban's draft resolution (text in my teletype under reference) still hangs fire. Norway seems inclined to sponsor provided the draft can be made more impartial. The Netherlands delegation seems divided and will not make up its mind until later.

2. The Arabs have now put in a resolution, the official text of which is not available yet, which would recall all past assembly resolutions on Palestine and would note (a) that the Palestine Conciliation Commission has been unable to fulfil its mandate, and (b) that the repatriation, compensation, resettlement and rehabilitation of refugees have not been effected. It would thank and dismiss the Palestine Conciliation Commission and substitute for it a seven-member commission (dropping the word "conciliation" from its title) whose task would be:

(a) To secure a just and equitable settlement of the Palestine problem in accordance with past resolutions of the General Assembly;

(b) To facilitate the early repatriation, resettlement, compensation and rehabilitation of refugees; and

(c) To take necessary measures for protection and restitution of rights, priorities and interests of refugees.

The governments concerned would be called upon to co-operate with the commission, which would be authorized to appoint subsidiary bodies and employ technical experts.

3. The Arab draft resolution does not raise directly the issue of an international regime for Jerusalem. This is implicit, however, in the provision that the proposed commission should secure a settlement of the Palestine problem "in accordance with the resolutions of the General Assembly." The Secretariat is concerned about an incident fully reported in the press last summer connected with the attempt of Israel to send up to Mt. Scopus in a food convoy, in contravention of the Mt. Scopus Agreement of July 7, 1948 (which is to continue in effect until the final peace settlement), a barrel from which a metal object protruded which might have been a machine gun. You will recall that Israel not only refused to allow United Nations truce observers to inspect the barrel but, contrary to the agreement, sent in troops to guard it until it was finally returned, unopened, to Israeli territory. The Arabs are expected to use this incident as a peg on which to hang an argument for full international control of the Jerusalem area if they have now decided to break with Jordan on this issue. In Jordan, as you know, there is a strong movement in favour of having the seat of government maintained for only six months of the year in Amman and moved to Jerusalem for the remaining six months to satisfy the people of the West Bank that the government is being run in their interests as well as in the interests of the remainder of the country. Jordan agrees with Israel in opposing internationalization of Jerusalem.

4. We discussed yesterday with the Netherlands delegation and the Secretariat and today with the United Kingdom delegation the question of

procedure. Kyrou[62] is likely to try to get the committee's consent to have the two items taken together. If he fails because of Arab opposition, the committee will proceed to debate Item 67,[63] having before it at first only the Arab draft resolution. The United Kingdom delegation hopes that a neutral state may then sponsor a brief, simple middle-of-the-road draft resolution covering both Items 67 and 68,[64] on the assumption that if this is adopted Eban will feel it unnecessary to have a separate discussion of Item 68.

5. In strict confidence Crossthwaite[65] showed Miss MacCallum a tentative draft of a moderate resolution which he was about to ask the Australian delegation to adopt as its own. (He agreed with Eban that this year it might be better for draft resolutions to be presented by neutral delegations rather than by the United States, United Kingdom, France and Turkey, although the usual four-Power sponsorship may still be resorted to.) Crossthwaite asked us not to let the Australians nor any others know that we had seen the draft, and pointed out that it would prejudice its chances of adoption by the committee if either the Israelis or the Arabs should find out that the draft had originated with the United Kingdom delegation. He did not give us a copy. Its principal features, however, are the following: it recalls past Assembly resolutions on Palestine (not "all" past Assembly resolutions as the Arabs wish) and particularly that of January 26, 1952. It may refer to the agreement to release blocked refugee assets and will then go on to express regret that the Conciliation Commission has not succeeded yet in obtaining a full settlement. It reminds the parties that the primary responsibilities for reaching a settlement rests upon them, calls upon the governments to refrain from hostilities and to carry out their obligations under the armistice agreements and to make an early "and genuine" effort to achieve a settlement, either by direct negotiation or by making use of the facilities provided by the United Nations. You will note that this tentative draft, which Crossthwaite gave to the Australians this afternoon, follows the line constantly reaffirmed by the Assembly since December 1948 and does not involve a departure from the policies Canada has supported in the past as the Israeli draft would do.

6. Tomorrow the delegations of the United Kingdom, United States, France and Turkey are meeting to discuss policy they will follow now that they have

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[62] Alexis Kyrou, représentant permanent de la Grèce auprès des Nations unies; membre de la délégation à la septième session de l'Assemblée générale; président de la Commission politique spéciale.
Alexis Kyrou, Permanent Representative of Greece to the United Nations; Representative, Delegation to the Seventh Session of the General Assembly; Chairman, Ad Hoc Political Committee.

[63] Commission de conciliation pour la Palestine.
Palestine Conciliation Commission.

[64] Violations par les États arabes de différents engagements.
Violations by Arab States of Various Obligations.

[65] P.M. Crosthwaite, représentant suppléant de la délégation du Royaume-Uni à la septième session de l'Assemblée générale.
P.M. Crosthwaite, Alternate Representative, Delegation of United Kingdom to the Seventh Session of the General Assembly.

both Israeli and Arab draft resolutions before them. We are to see Jessup immediately after the meeting and will report its outcome to you. Ends.

258. DEA/50134-40

Le chef de la délégation à l'Assemblée générale des Nations unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

TELEGRAM 322 New York, November 19, 1952

SECRET

GENERAL ASSEMBLY — PALESTINE ITEMS

Reference: My telegram No. 314 of November 18, 1952

Following from Johnson, Begins: This morning Miss MacCallum and I saw Jessup and Barco of the United States delegation, who informed us of yesterday's developments in connection with Israel's efforts to secure sponsors for its draft resolution, the text of which was given in my telegram No. 135 of October 31. Jessup told us that the Norwegian delegation has appropriated as its own a revised Israeli draft, the text of which we subsequently received from the Israeli delegation. This omits the sixth recital of the former preamble, which quoted out of context a comment of the conciliation commission on the uncooperative attitude of the Arabs, and it transposes the words "urges" and "calls upon" in the third and fourth operative paragraphs, but in other respects is unchanged.

2. Moe[66] is now trying to find co-sponsors for this new draft. His delegation has seen representatives of Mexico, Chile, Brazil, Ecuador and Uruguay and will soon call a meeting of other possible sponsors. Representatives of the United Kingdom, the United States, France and Turkey will be invited to attend as observers although these Four Powers will not be asked to sponsor. We have not been approached yet, but Jessup said Nervo has suggested to Moe that the President of the Assembly might be asked to try his hand at bringing the parties together while the Assembly is still in session. He did not say whether this would be a separate proposal to be suggested to the ad hoc political committee before it takes up Moe's draft resolution, or whether it would be embodied in the resolution itself.

3. Jessup believes that at some stage in the debate the Norwegian draft resolution will be amended by the insertion of a paragraph authorizing the Palestine conciliation commission to continue its work, although he is not averse to having the principle of direct negotiation stressed a little more strongly now than in the past. There would presumably have to be also, he

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[66] Finn Moe, membre du parlement de la Norvège et président du Comité des relations avec l'étranger ; membre de la délégation à la septième session de l'Assemblée générale.
Finn Moe, Member of Parliament of Norway and Chairman of Foreign Relations Committee; Representative, Delegation to the Seventh Session of the General Assembly.

thinks, some reference to past resolutions of the Assembly, to supplement the reference in the second recital of the preamble to resolutions of "the United Nations" which in this case means only the Security Council.

4. There are several indications that although the debate is likely to be violent, particularly if it coincides with the debates on Tunisia and Morocco or with the inauguration of Israel's new President in Jerusalem, the outcome may be the adoption once more of a reasonable and moderate resolution. The Arabs understand they are not likely to succeed in getting a new commission instructed to implement all past Assembly resolutions, and that the best they can hope for are renewed instructions to the conciliation commission to get ahead with its work. Eban has said privately that he could accept a resolution to this effect. This therefore is the objective the neutral delegations will presumably try to reach. Ends.

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259. DEA/50134-40

Le chef de la délégation à l'Assemblée générale des Nations unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

TELEGRAM 349 New York, November 21, 1952

CONFIDENTIAL

GENERAL ASSEMBLY — PALESTINE ITEMS

Reference: My telegram No. 322 of November 19.

Following from Johnson, Begins: Miss MacCallum and I attended this afternoon, November 21, a meeting of several neutral delegations convened by Moe of Norway to discuss the question of sponsorship of the revised Israeli draft resolution described in paragraph 1 of my telegram under reference. In addition to the Norwegians and ourselves, representatives of Australia, Belgium, Brazil, Denmark and the Netherlands were present. Mexico, Ecuador, Uruguay and Bolivia, although invited, were unrepresented.

2. The Netherlands delegation may sponsor the resolution provided an impartial text can be worked out and provided a large number of delegations having wide geographical distribution agree to act as co-sponsors. Both the Belgian and Netherlands delegates, like ourselves, felt that if an impartial text is to be achieved, the present draft would have to be subjected to some revision. With this in view, Moe has asked the Netherlands delegation and ourselves to meet him tomorrow morning to work out a revised draft without prejudice to the question of sponsorship on which we remain uncommitted.

3. There was general agreement that the timing of the resolution would be important. Several delegations seemed to think that the delegates both of the Arab States and of Israel should be allowed to state their respective positions first and that the neutral draft should not be presented until later. The representative of Denmark suggested, however, that both sides should be told

in advance of the plan to submit a compromise resolution, since this might help to reduce the length of the debate.

4. The representatives of Australia and Brazil fully reserved the position of their respective governments. Brazil will not sponsor the resolution but is likely to support any moderate text offered by a combination of neutral States. Ends.

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260. DEA/50134-40

Le chef de la délégation à l'Assemblée générale des Nations unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

TELEGRAM 360[67] New York, November 24, 1952

CONFIDENTIAL. IMPORTANT.

GENERAL ASSEMBLY — PALESTINE ITEMS

Reference: My teletype No. 349 of November 21.

Addressed External No. 360, repeated Washington No. 104.

Following from Johnson, Begins: As agreed on November 21, Moe of Norway, Dr. Patijn and Miss Klompe of the Netherlands and Miss MacCallum met as a working group on the morning of November 22 to prepare a tentative draft resolution on Palestine which might be offered to neutral delegations for their possible sponsorship. The text which emerged from this meeting is given in my next succeeding telegram. It is described as a tentative draft working paper which does not commit any of the delegations represented at this morning's meeting and will not bear their names.

2. Moe, however, will take the initiative in calling a meeting of neutral delegations today to discuss the possibility of using a text along the lines suggested in this working paper as the basis of a compromise resolution on Palestine. He will also take up the question of when a neutral resolution should be introduced. Jessup suggests it might be as well to secure voting priority for any draft resolution by introducing the new draft before either Israel or the Arab States table their proposals. There is some sentiment, however, in favour of waiting until after there has been a confrontation of Arab and Israeli positions, since a neutral resolution brought forward at the outset would draw fire from both sides, whereas a resolution submitted later with a view to reconciling the parties may have more chances of acceptance.

3. As you will note, the purpose of the working paper is to encourage the direct negotiations for which Israel has been asking, but not to do so on the highly selective basis of certain past resolutions of the Security Council which were invoked in the so-called Norwegian draft (i.e., Eban's draft resolution of

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[67] **Note marginale sur ce document et sur le suivant :**
Marginal note on this and the following document:
(seen by Mr. Ritchie who approved reply).

October 31 minus the sixth recital of the preamble). The Conciliation Commission is asked to be available, moreover, to assist the parties if so desired.

4. The Israeli delegation has been disappointed that we argued at the meeting of November 21 in favour of the inclusion of a reference to past Assembly resolutions and to the future availability of the Conciliation Commission to help the parties to reach a settlement. In a letter to the Minister, a copy of which is going to you by bag, they explain that the text "drafted by Norway" was the result of consultations with members of the Conciliation Commission and thirteen neutrals, "none of whom" had "failed to see the advantage of the simplicity and freedom of the new start" proposed in the so-called Norwegian draft. The Israeli delegation is apparently assuming that there was a greater degree of support for the formula proposed by Eban than has actually proved to be the case. We did not intervene in the discussion at the meeting of neutrals on November 21 until after Moe, the Chairman, had observed that criticisms voiced by other delegations made it apparent that the so-called Norwegian draft would not do. Our proposals were along lines suggested to us by Crossthwaite and Jessup. We plan to discuss the position with the Israelis today if possible.

5. If Eban does not object violently, the Minister would be prepared to agree that Canada should be one of the sponsors of a draft resolution along the lines proposed in the working paper of November 22. He suggests, however, that the second recital of the preamble should be changed to read "recalling resolutions (not "the' resolutions) of the General Assembly and the Security Council on Palestine."

6. We will keep you informed of developments but meanwhile should be grateful for your general comments on the question of sponsorship, which is not specifically mentioned in paragraph 13 of the general instructions accompanying the commentary. If the neutrals decide to submit a compromise proposal early in the debate the question will be one of some urgency, since the Palestine question will be taken up on November 25, Saudi Arabia's effort to secure an early discussion of the Eritrean item having failed. If on the contrary the neutrals decide to offer a draft resolution later on in the debate, it may be a week before our decision on sponsorship of a particular text will be required. Ends.

261. DEA/50134-40

Le chef de la delégation à l'Assemblée générale des Nations unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

TELEGRAM 361 New York, November 24, 1952

CONFIDENTIAL. IMPORTANT.

GENERAL ASSEMBLY — PALESTINE QUESTIONS

Reference: My teletype No. 360 of November 24 (repeated Washington No. 104).

Addressed External No. 361, repeated Washington No. 105.

Following from Johnson, Begins: Following is the text of the tentative draft working paper prepared on November 22 by representatives of Norway, the Netherlands and Canada without prejudice to the position which may be taken later by any of the three delegations. Text begins:

The General Assembly

Reaffirming that it remains a primary duty of all members of the United Nations, when involved in an international dispute, to seek settlement of such a dispute by peaceful means;

Recalling resolutions of the General Assembly and the Security Council on Palestine;

Recalling especially those resolutions calling upon the parties to achieve at an early date agreement on final settlement of their outstanding differences;

Taking note of the twelfth progress report of the United Nations Conciliation Commission for Palestine (Document A/2216 of 8 October 1952), in which it is suggested that "general or partial agreement could be sought through direct negotiations, with United Nations assistance or mediation;"

Reaffirms the principle that the governments concerned have the primary responsibility for reaching a settlement of their outstanding differences;

Calls upon all the parties to refrain from any acts which would aggravate the relations between them;

Urges the governments concerned to enter at an early date into direct negotiations and calls upon the United Nations Conciliation Commission for Palestine to be available to assist them if so desired.

Text ends. Ends.

262. DEA/50134-40

Le secrétaire d'État aux Affaires extérieures
à la délégation à l'Assemblée générale des Nations unies

Secretary of State for External Affairs
to Delegation to the General Assembly of the United Nations

TELEGRAM 170[68] Ottawa, November 25, 1952

CONFIDENTIAL. IMMEDIATE.

PALESTINE ITEMS

Reference: Your telegram No. 360 of November 24, 1952.

Following for Johnson from Wilgress, Begins: Your paragraph 6. As you are in a better position than we are to decide this question in consultation with the Minister and Mr. Martin, it will be satisfactory if you use your own discretion with respect to Canadian sponsorship of the draft resolution. Ends.

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263. DEA/50134-40

Le chef de la delégation à l'Assemblée générale des Nations unies
au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations,
to Secretary of State for External Affairs

TELEGRAM 369 New York, November 25, 1952

CONFIDENTIAL. IMMEDIATE.

GENERAL ASSEMBLY — PALESTINE ITEMS

Reference: My teletype No. 361 of November 24, 1952.

Addressed External No. 369, repeated Washington No. 109.

The Israeli delegation, which expressed concern about the Canadian intervention during the meeting of neutral delegations on November 21, is now satisfied with the results of that intervention and expressed itself yesterday afternoon as being willing to go along with the neutral states in supporting a draft resolution along the lines of the tentative draft working paper on November 22. They suggested a few minor changes which were discussed at the meeting of neutral delegations held yesterday under the chairmanship of Mr. Moe. Those present at the November 24 meeting were representatives of Norway, the Netherlands, Denmark, Belgium, Uruguay and Canada.

2. My next succeeding teletype gives the text of a proposed draft resolution for which sponsors are now being actively sought among neutral delegations. Belgium will support the resolution but cannot sponsor it. The Netherlands and Denmark may support it if wide enough backing is found for the draft. Mr.

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[68] Le télégramme porte la mention :/Noted in telegram:
Repeat to Washington as No. EX-2245.

Moe is seeing the representatives of Mexico, Ecuador, Bolivia, the Dominican Republic, Thailand and perhaps others. He tried to get a postponement until Wednesday of the opening of the debate in order that the question of sponsorship might be settled so as to enable the proceedings to begin with the presentation of the neutral resolution. Kyrou did not agree, however, and this morning we are to have the presentation of the report of Conciliation Commission followed by two Arab speeches. The Arabs will not submit their own draft resolution, however, until after the neutral resolution has been tabled.

3. Neutral delegations are being given until 4 p.m. today, November 25, to decide whether or not they will sponsor the proposed draft resolution. The Minister is inclined to agree to Canadian sponsorship if there is more than one respectable sponsor beside ourselves.

4. Fabregat of Uruguay suggested the inclusion in the resolution of a paragraph inviting the President of the Assembly to try to initiate direct negotiations between the parties. Representatives of the Netherlands and Norway argued that it would be unwise to try to hurry the proposed negotiations in this way, and that what was needed were direct contacts between Egypt and Israel, without the publicity which would be attendant on the convening of meetings by the President of the Assembly. Fabregat may take up with other Latin American delegations the possibility of bringing in a separate resolution on this question. He did not think Uruguay should sponsor a neutral resolution since it is regarded as a consistent advocate of Israeli policies.

264. DEA/50134-40

Le chef de la delégation à l'Assemblée générale des Nations unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

TELEGRAM 370 New York, November 25, 1952

CONFIDENTIAL. IMMEDIATE.

GENERAL ASSEMBLY — PALESTINE ITEMS

Reference: My teletype No. 369 of November 25.

Addressed External No. 370, repeated Beaver No. 110.

Following from Johnson, Begins: Following is the text of the proposed draft resolution which emerged from this afternoon's meeting of representatives of six neutral delegations. Text begins:

The General Assembly

REAFFIRMING that it remains a primary duty of all members of the United Nations, when involved in an international dispute, to seek settlement of such a dispute by peaceful means;

RECALLING the resolutions of the General Assembly and the Security Council on Palestine;

RECALLING especially those resolutions calling upon the parties to achieve at an early date agreement on final settlement of their outstanding differences;

TAKING NOTE of the twelfth progress report of the United Nations Conciliation Commission for Palestine (Document A/2216 of 8 October 1952), in which it is suggested that "general or partial agreement could be sought through direct negotiations, with United Nations assistance or mediation;"

CALLS UPON all the parties to desist from any further acts of hostility;

REAFFIRMS the principle that the governments concerned have the primary responsibility for reaching a settlement of their outstanding differences and with this in view,

URGES the governments concerned to enter at an early date into direct negotiations and requests the Palestine Conciliation Commission to be available for this purpose if so desired. Text ends.

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265. DEA/50134-40

Le chef de la delégation à l'Assemblée générale des Nations unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

TELEGRAM 378 New York, November 26, 1952

CONFIDENTIAL

GENERAL ASSEMBLY — PALESTINE ITEMS

Addressed External No. 378, repeated Beaver, 114.

Following from Johnson, Begins:

1. At a meeting of neutrals yesterday afternoon decisions to sponsor the neutral draft resolution on Palestine were announced by Norway, the Netherlands, Denmark, Ecuador and ourselves. Uruguay and Costa Rica wished to consult their governments. They will have their names added to the list of sponsors before the draft resolution is tabled in the ad hoc Political Committee this morning if sanction of their governments is received.

2. Yesterday the Arabs were notified of our intentions and their spokesman, Shukairi,[69] was invited to make a statement to the neutrals on the Arab position. Shukairi said that in ordinary circumstances there was a conflict of equal rights, and an appeal by neutrals to negotiate a settlement should receive favourable response from parties. In this case, however, one of the parties has consistently refused to accept as a basis of discussion the recommendations

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[69] Ahmed Shukairi, secrétaire général adjoint de la Ligue des États arabes ; membre de la délégation de la Syrie à la septième session de l'Assemblée générale.
Ahmed Shukairi, Assistant Secretary-General, League of Arab States; Representative, Delegation of Syria to the Seventh Session of the General Assembly.

made to it by the Assembly and this will affect the success of the neutrals' effort to reconcile the parties. A copy of the neutral draft resolution was given to Shukairi after the neutrals had made slight amendments and before the draft resolution was handed to the Secretariat.

3. As it now stands, the draft resolution follows in every respect the text contained in my teletype No. 370 of November 25 except that the final para has been divided into two separate parts, with the addition of one phrase in the first of the two parts. The closing section now reads as follows:

"Urges the governments concerned to enter at an early date into direct negotiations for the establishment of such a settlement, and requests the Palestine Conciliation Commission to be available for this purpose if so desired."

The discussion on Palestine in the ad hoc Committee began yesterday morning with the distribution of a supplement to the twelfth progress report of the Conciliation Commission and an announcement by the chairman that the Government of Jordan has appointed Dr. Jamali[70] of Iraq to act as its spokesman.

4. In view of the unusual wording of agenda Item 67, the first speaker was not the chairman of the Conciliation Commission. To a request for a report from the Conciliation Commission, the French chairman of the Commission replied that he would be glad to present a report but would not be able to do so immediately. His statement is expected to be given today.

5. A controversy developed over Jamali's unexpected request for the seating of Dr. Tannous, the representative of Palestinian-Arab refugees. Although Tannous had been heard by the committee in the discussion of assistance to Palestine refugees, the United Kingdom delegate objected that it would be improper to have him make a statement in a purely political debate under agenda Item 67. The United States delegation, which had a few hours' advance warning of Dr. Jamali's intention, had consulted Washington which instructed its delegation to speak and vote against the proposal to seat Tannous, because of the stand the United States delegation would have to take in the First Committee on the seating of representatives of Moroccan and Tunisian nationalists. Jessup argued that members of the committee are representatives of governments and that only in very exceptional cases should the committee depart from the practice of hearing only government representatives. The Arabs maintained that the refugees, being stateless persons, had no government to speak for them. Their accredited representative should, therefore, be heard particularly since Israel had charged that the Arab states are "perpetuating the sufferings of the refugees." On questions of blocked accounts and compensation which the committee would be considering, the representatives of the Arab Governments did not have as precise information as Tannous.

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[70] Mohamed Fadil Al-Jamali, ministre des Affaires étrangères d'Irak, chef de la délégation à la septième session de l'Assemblée générale.
Dr. Mohamed Fadil Al-Jamali, Minister of Foreign Affairs of Iraq; Chairman, Delegation to the Seventh Session of the General Assembly.

6. The Iraq proposal was defeated by 13 votes in favour, 14 opposed (including the United States, the United Kingdom, Canada and the Netherlands), with 20 abstentions. A member of the United Kingdom delegation expressed the view to us after the meeting that if Jamali had consulted other delegations in advance, probably some suitable arrangement could have been made to have Tannous called upon when compensation was under discussion and a need for information at his disposal was actually felt by others on the committee. Arab news agency representatives reported to the United Kingdom delegation that as a result of the vote, evening papers in the Middle East which had been released were carrying headlines "Anglo-American-Israeli conspiracy to wipe out Palestine."

7. This will not help the efforts of the Relief and Works Agency to secure the active cooperation of refugees.

8. A formal speech was made by the Egyptian delegate who developed the thesis that the failure of the Conciliation Commission had been due to its practice of trying to adapt the instructions it has received from the Assembly to situations created by Israel in defiance of the Assembly's wishes.

9. The Mexican delegate made a plea for harmony and a conciliatory spirit in the discussion which was backed up by the chairman. Eban (Israel) said he would try to cooperate. Jamali said it would be necessary in the debate for the Arab delegations to do what they could to offset the general lack of comprehension of the Arab position. Ends.

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266. DEA/50134-40

Le chef de la délégation à l'Assemblée générale des Nations unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

TELEGRAM 399 New York, November 28, 1952

CONFIDENTIAL

GENERAL ASSEMBLY — PALESTINE ITEMS

Reference: Our teletype No. 391 of 28th November, 1952.[†]

Addressed Ottawa No. 399 repeated to Washington No. 118.

The Ad Hoc Political Committee, after its Thanksgiving recess, met this morning only to find that no delegations were prepared to speak. The Arabs were still undecided as to whether or not they should press for a new Palestine commission or content themselves with offering a few amendments to our joint draft resolution. The co-sponsors meanwhile had decided to space out their speeches in support of the joint draft resolution in an attempt to draw together the opposing parties. Thus we did not ask for the floor.

2. The joint draft resolution was presented on November 26th by Moe of Norway after a brief presentation of the reports of the Palestine Conciliation

Commission by Ordonneau of France. The only news in Ordonneau's speech which is not already contained in the 12th report of the Conciliation Commission (October 8th, 1952) and the supplement to the 12th report issued on November 24th, was an intimation that Israel has now decided to release blocked accounts up to 500 pounds for each depositor which is somewhat more than it had first intended to release. Moe's presentation of the draft resolution was quiet. He pointed out that there is always a possibility that direct negotiations may succeed but that this cannot happen unless they are actually tried. The armistice agreements call for direct negotiation. If the assembly also makes a similar appeal this may make it easier for the parties to get together. He said the sponsors had tried to make the resolution as neutral as possible.

3. Shukairi replying for Syria in a speech which for him was remarkably moderate, said that wherever a principle had been accepted by Jews and Arabs in advance they had been able to meet together. In the assembly they meet together because they have both subscribed to the charter. At Rhodes they met on the basis of the Security Council resolution of November 16th, 1948, which both sides had accepted. In the armistice commissions Arabs and Israelis are able to sit down together because they both have accepted the armistice agreements. Finally, Arabs and Israelis sat at the same table to discuss the release of frozen assets of refugees once the principle had been accepted. If Israel would now accept past assembly resolutions as a basis for negotiation, a settlement might be reached by direct negotiation even before the present session of the assembly ends. Referring to Jordan's attitude on the status of Jerusalem (where, like Israel, Jordan has opposed the establishment of direct international control), Shukairi said that if a settlement of the refugee question and the boundary issue can be reached, Jordan would withdraw its objections to the internationalization of Jerusalem.

4. Cuba now wishes to join the sponsors and will ask to have the draft resolution revised tomorrow for this purpose. Costa Rica has not yet heard from its government. There is still a possibility that, like Cuba, it may have its name inscribed as a co-sponsor also.

5. The Israeli delegation is lobbying very actively in favour of the draft resolution among delegations which have not yet made up their minds. We are preparing for a possible Arab attempt to have the Conciliation Commission increased to seven members and its terms of reference amended to include a specific obligation to seek a settlement on the basis of past assembly resolutions. Should this happen the British and probably the Americans will help to secure a compromise under which only two members would be added to the present commission, probably neutral states, and the terms of reference so phrased that the Commission will be able to devote its attention to practical questions on which agreement is almost within sight. This would be in line with the recommendation made by the Conciliation Commission in the latter half of paragraph 19 of its 12th progress report.

267. DEA/50134-40

Le chef de la délégation à l'Assemblée générale des Nations unies
au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations,
to Secretary of State for External Affairs

TELEGRAM 400 New York, November 28, 1952

CONFIDENTIAL

AD HOC COMMITTEE — PALESTINE

Reference: Our teletype No. 399 of November 28.

Addressed External No. 400, repeated Beaver No. 119.

We have been discussing with the United Kingdom and the United States delegations the lines along which it may subsequently prove necessary to amend the resolution we are co-sponsoring if it is to get the necessary majority. Opinions are at present divided as to the support which resolution would receive in its present form. Eban of Israel thinks that we are already fairly sure of thirty votes but we are inclined to think that his estimate is optimistic and both the United Kingdom and the United States delegations agree.

2. By Monday, we should have a clearer idea as to the support which our resolution in its present form would receive. If Arab or other amendments are not likely to be strongly supported, there will of course be no occasion to accept them or possible compromise amendments which might then be submitted by the United Kingdom and United States delegations. However, I should think we would have to concede some ground in the direction of the Arab point of view in order to secure a two-thirds majority for our resolution and our aim will therefore be to work with the other co-sponsors and with the United Kingdom and United States delegations for concessions which would command substantial support without alienating the Israeli delegation or sacrificing the central place which our resolution gives to encouraging direct negotiations.

3. As indicated briefly in our telegram under reference, the amendments now being considered by the United Kingdom and United States delegations would be directed to meeting the following two principal points of attack on our resolution which are expected from the Arab side:

(a) Towards enlarging the Palestine Conciliation Commission and extending its terms of reference, and

(b) Towards referring specifically in the operative part of the resolution to direct negotiations[71] of the General Assembly and the Security Council.

On at least one of these points it will probably be necessary for the co-sponsors of the resolution to accept a compromise amendment or amendments. The United States delegation would rather concede something on (a) above and the United Kingdom on (b).

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[71] Note marginale :/Marginal note:
omission?

4. As for the wording of possible concessions on either of these points, the United States delegation thinking has not advanced very [far?] but the following suggestions have been made to the Foreign Office by the United Kingdom delegation:

(a) In place of the final two paragraphs of our resolution, the following might be substituted:

"Calls upon the governments concerned to make an early and genuine effort to compose their differences and make full use of the facilities offered by the Palestine Conciliation Commission which may, if it so desires, co-opt for this purpose two additional members."

(b) The following might be added to paragraph 2 of the operative part: "and bearing in mind United Nations resolutions."

5. The above are very tentative suggestions of the United Kingdom delegation and they have not received comments on them from the Foreign Office.

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268. DEA/50134-40

Le chef de la délégation à l'Assemblée générale des Nations unies
au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations,
to Secretary of State for External Affairs

TELEGRAM 405 New York, November 29, 1952

CONFIDENTIAL

GENERAL ASSEMBLY — PALESTINE ITEMS

Reference: My teletype No. 399 of November 28.

Addressed External No. 405, repeated Beaver 122.

In the Ad Hoc Committee on the morning of November 29, formal speeches were made by representatives of Lebanon, the US, Uruguay and Honduras.

2. The Lebanese Representative criticized our joint draft resolution on the grounds that it gives no indication of the basis of which direct negotiations may begin. He said the Arabs would be willing to negotiate a settlement if Israel would accept as the starting point for discussion the Lausanne Protocol of May 12, 1949 which still bears the signatures of Israel, the Arab states, the US, France and Turkey. He suggested that two new members should be added to the Conciliation Commission but did not introduce formal amendments to our joint draft resolution. His speech seemed to indicate that Shukairi's impetuous offer in Paris to sit down to negotiate with Israel as soon as Israel accepts past resolutions of the General Assembly as a basis of negotiation is now endorsed by other Arab states. They may even be ready to go a step further so as to narrow down their demands to the acceptance of the "principle" of repatriation of refugees and a territorial division of Palestine which would give the Arabs somewhat more than they now control but not necessarily in the checkerboard pattern suggested by the General Assembly five years ago.

3. Fabregat of Uruguay, arguing in defence of the joint draft resolution, said that the formulation of a basis for negotiation is the "second or third step" and that it would be unnecessary to discuss the agenda for an Arab-Israeli conference until after the states had undertaken to enter into direct negotiations.

4. Dr. Jessup (US) presented a masterly review of the work of the Conciliation Commission since its establishment in January 1949. He pointed out that the signing of the Lausanne Protocol had enabled the Commission to get from both parties an expression of their views. The gap between the parties had proved too wide for the Commission to bridge under its terms of reference. It became clear as time went on that little progress was possible unless the parties were willing to meet for direct discussions. The Commission, therefore, had proposed mixed committees to consider specific questions. When this attempt failed, the Commission had made further efforts to establish areas of agreement between the parties. In 1951 it tried the experiment of offering proposals of substance on the basis of which an enduring settlement might be reached. It expected the parties to put forward counter-proposals in the true spirit of negotiation. None were forthcoming, however, and the Commission was thus disappointed in its efforts to encourage the parties to follow traditional procedures. Jessup reinforced his plea for direct negotiations by referring to what Dulles had said at Paris during the Third Session of the General Assembly shortly before the adoption of the resolution on December 11, 1948. Dulles had gathered from listening to the statements of the parties to the dispute that they themselves did not wish the Assembly to shape a settlement but only to facilitate agreement through conciliation. Neither of the parties, however, had shown any disposition since then to negotiate in the ordinary sense of the word, either directly or indirectly. Since the Sixth Session of the Assembly the parties have not asked the Commission for any assistance although the Commission has been always accessible and willing to make its facilities available to them.

5. The representative of Honduras offered to support the joint draft resolution, particularly if the second recital of the preamble may be understood as recalling the resolutions of November 29, 1947 and December 11, 1948 and as a reaffirmation of the Assembly's support for an international regime in Jerusalem which would safeguard the Holy places. Honduras would be willing to have the Conciliation Commission strengthened as Lebanon suggested.

6. When the list of speakers closed at 1 o'clock there were 29 names inscribed. Israel, Syria, Saudi Arabia and three Latin American States will speak ahead of the Canadian delegation. Other sponsors will follow later in the debate. It was announced at this morning's meeting that Cuba would be included among the sponsors.

7. Eban challenged the right of the delegate of Iraq to speak for Jordan. Jamali explained that to avoid confusion he would speak for Jordan only when he was sitting in the seat reserved for the official observer of Jordan. Whenever he did so someone else would occupy the position of chief spokesman for Iraq. The chairman reminded the committee that no objection had been raised when

he had first notified the committee of Jamali's appointment as the authorized spokesman of Jordan. Since no support was forthcoming for Eban's objection, Kyrou assumed it was the wish of the committee to acquiesce in the request of the Government of Jordan.

8. At a meeting of the sponsors of the joint draft resolution which was held immediately after the Ad Hoc Political Committee rose, Eban outlined in confidence the suggestions for a permanent settlement which he intends to make public on December 1. These will include arrangements for security (guarantees of non-aggression and procedures for terminating boundary incidents), territorial arrangements which, among other things, will eliminate demilitarized zones, the opening up of transportation and communications, with rationalization of regulations regarding airports, harbours, free ports and border crossings; and agreements for economic development, particularly in relation to water conservation and irrigation. There was no reference to refugees. Eban said it would be helpful to him if he could assure his government that the neutrals would not accept any Arab amendment of their resolution which would relate direct negotiations specifically to the terms of past Assembly resolutions or which would increase the size of the Conciliation Commission. After Eban withdrew it was decided unanimously that the first guarantee for which he had asked could be given but that if an amendment calling for the addition of two new members to the Conciliation Commission made it possible for the Arabs to accept the joint draft resolution, the neutrals should not bind themselves in advance to reject the proposal. Before Eban's withdrawal, Patijn of the Netherlands suggested to him that if he could say anything about the possibility of even a token repatriation of refugees within certain accepted categories it might strengthen Israel's position. If this was impossible perhaps he might consider the inclusion in his speech of some words of genuine sympathy for the refugees.

9. Our first intervention in the debate late on Monday, or perhaps on Tuesday, is likely to be brief and non-controversial.

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269. DEA/50134-40

Le chef de la délégation à l'Assemblée générale des Nations unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

TELEGRAM 411 New York, December 1, 1952

CONFIDENTIAL

GENERAL ASSEMBLY — PALESTINE ITEMS

Reference: My teletype No. 405 of November 29.

Addressed Ottawa No. 411, repeated Washington No. 123.

In the Ad Hoc Political Committee there was distributed this morning a revised edition of the joint draft resolution on the Palestine Conciliation

Commission in which the name of Cuba was added to the list of sponsors. The committee learned that Panama also wishes to be a co-sponsor and a second revised edition will accordingly be issued to-day.

2. We are sending you by bag a copy of a speech in which Eban developed for an hour and fifty minutes this morning the possibility of direct negotiations with a view to settling the Palestine dispute in a series of treaties and agreements on various individual questions. He argued that even if the parties cannot achieve a settlement immediately, it is still their duty to make the attempt. He pointed out that the present situation is governed by the armistice agreements and went on to say that no arrangements for revision of these agreements can have validity except by mutual consent.

3. Eban argued that there was no logic in the attitude that states A and B cannot reach a settlement except through negotiations with states C, D and E. The negotiations should be direct and unfettered. This position is in marked contrast to the line taken by the Jewish Agency in 1947 when the United Kingdom Government was pressing for direct agreement between the disputants as the basis for a decision on the future government of Palestine.

4. Referring to the invocation of past Assembly resolutions by the Arab states Eban observed that the Arab states appeared to be in the habit of asking for implementation of United Nations resolutions only after their application had become impossible in practice. It was because past Assembly resolutions had not in fact brought about a settlement that the question was still before the Assembly.

5. In response to the appeal made by a member of the Netherlands delegation in the meeting of neutrals on Saturday afternoon, Eban included a passage relating to refugees in his outline of a peace settlement Israel would be willing to accept. In addition to supporting the Blandford Plan for the reintegration of refugees he suggested that if the Arab states and Israel discussed international assistance to refugees, they might be able to make joint proposals on the subject to the United Nations. He re-affirmed, on behalf of his government, the principle of compensation for abandoned refugee property but pointed out that Israel's capacity to pay compensation was adversely affected by the Arab blockade. He referred to the re-uniting of certain refugee families in the past and to Israel's recent decision to take over responsiblity for the relief of 19,000 Arab refugees and to release blocked accounts of refugees in Israeli banks.

6. Under the heading of security, Eban proposed the inclusion of a non-aggression clause in the peace treaties and recognition of the territorial integrity of each state. There should also be a reasonable limitation of military budgets. The provision of arms supplies from abroad might then be considered in relation to the legitimate needs of the area as a whole. In connection with the territorial settlement, he proposed the reuniting of border villages with their lands and the elimination of demilitarized zones. The demilitarized areas on the frontier between Israel and Syria, where Israel has proceeded with drainage operations in violation of the armistice agreement, must have been particularly in the mind of the speaker, since Israel is anxious to be in complete control of the region in order to complete its development plans. Perhaps the

deepest impression made on the Committee by the representative of Israel was in the passages in which he outlined the possibilities of economic and scientific co-operation and co-operation in the field of transportation, communication, technical assistance and research. He concluded by asserting that bilateral agreements reached by Israel and each of its Arab neighbours ought not to encroach on the interests of third states or on the interests of the International Community in the Holy Land. The negotiations should begin with an agreed agenda in which should be included the proposals of both parties.

7. The delegate of Syria filled in the time until adjournament with a rambling extempore reply. On adjournment the Arabs met in caucus to try once more to reach agreement on the policy they will follow. They have not yet tabled either a separate resolution or amendments to our draft resolution.

8. We are likely to speak to-morrow. A draft statement which has the Minister's approval, and of which we are sending you copies in the next bag, picks up the argument where Jessup and Eban left off. We refer to Jessup's comment that the Conciliation Commission had been disappointed to find that the parties, while failing to accept the proposals of the Commission, had not put forward counter proposals of their own which might serve as the basis of negotiation in the accepted sense of the term. We go on to suggest that Israel's statement to-day may be regarded as embodying a series of counter proposals. Another new development has been the confirmation by several Arab states of Syria's first offer in January 1952 to enter into direct negotiations with Israel as soon as the latter accepts past resolutions of the Assembly as a point of departure. We suggest that the next step may be for the Arabs to state which resolutions of the United Nations organs and which articles of these resolutions they would prefer to use as a starting point for direct negotiations since there is room for a certain choice among the various approaches made to the Palestine problem at different sessions of the General Assembly and Security Council in the past. We close with a reference to the importance of the meaning we attach to the term "negotiations" and state that what the sponsors of the draft resolution have in mind are negotiations in the accepted sense of the term in which there develops, after the initial statement of the positions of the parties, a process of genuine give and take.

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270. DEA/50134-40

Le chef de la délégation à l'Assemblée générale des Nations unies
au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations,
to Secretary of State for External Affairs

TELEGRAM 436 New York, December 3, 1952

UNCLASSIFIED

AD HOC COMMITTEE — PALESTINE

Reference: Our telegram No. 411 of December 1st.

Following is text of resolution introduced this morning, December 3rd, by Afghanistan, Iran and Pakistan.

Text begins:

The General Assembly

1. *Reaffirms* its resolution 512 (VI) of 26 January 1952;
2. *Appreciates* the efforts of the United Nations Conciliation Commission for Palestine to carry out its mandate;
3. *Notes* with regret that during the past year the progress has not come up to expectations;
4. *Requests* the Conciliation Commission to continue its efforts to fulfil the task entrusted to it under General Assembly resolutions;
5. *Decides* that the Headquarters of the Commission should be located in Jerusalem;
6. *Further decides* to increase the membership of the Commission to five, the two additional members to be nominated by the General Assembly; and
7. *Requests* the Commission to report to the eighth regular session of the General Assembly.

Text ends.

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271. DEA/50134-40

Le chef de la délégation à l'Assemblée générale des Nations unies
au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations,
to Secretary of State for External Affairs

TELEGRAM 439 New York, December 3, 1952

CONFIDENTIAL

GENERAL ASSEMBLY — PALESTINE ITEMS

Reference: My telegram No. 436 of December 3.

Following from Johnson, Begins: The following is the text of a revised draft resolution on Palestine which was worked out this afternoon at a meeting of representatives of the United States, the United Kingdom, France and Turkey. The circumstances in which this draft was prepared will be outlined in our next telegram on this subject.

2. The preamble of the revised draft would follow the preamble of the present eight-power draft resolution. The operative section would continue as follows:

1. *Calls upon* the parties to honor fully their undertaking to refrain from acts of hostility against each other;

2. *Reaffirms* the principle that the governments concerned have the primary responsibility for reaching a settlement of their outstanding differences, and with this in view;

3. *Urges* the governments concerned to enter at an early date, without prejudice to their respective rights and claims, into direct negotiations for the establishment of a settlement of any or all outstanding differences.

4. *Requests* the Conciliation Commission for Palestine to continue its efforts to fulfil the tasks entrusted to it under General Assembly resolutions and to be available for such assistance in the negotiations as may be desirable.

5. *Decides* to increase the membership of the Commission to five, the two additional members to be .... and ....

6. *Requests* the Conciliation Commission for Palestine to render progress reports periodically to the Secretary-General for transmission to the members of the United Nations. Text ends.

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272. DEA/50134-40

Le chef de la délégation à l'Assemblée générale des Nations unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

TELEGRAM 449 New York, December 4, 1952

CONFIDENTIAL. IMPORTANT.

AD HOC COMMITTEE — PALESTINE

Reference: Our telegram No. 439 of December 3.

Addressed External No. 449 repeated Beaver No. 134.

Following from Johnson, Begins: As we have been heavily involved in negotiating with other delegations on amendments to our draft resolution, we have been relying on the United Nations teleprinter to keep you up to date on the proceedings of the Ad Hoc Committee yesterday and today, December 4. As you will have seen, three groups of amendments were submitted this morning by Chile, by Peru, and by Colombia, Costa Rica, El Salvador, Haiti and Honduras collectively. In this message, I shall report chiefly on what has been going on behind the scenes.

2. As soon as Professor Bokhari[72] introduced the Pakistan-Afghan-Iranian-Indonesian resolution yesterday (our telegram No. 436 of December 3), we realized that we might be moving into a situation in which, although both our resolution and the Pakistan resolution might pass in committee, neither might get the two-thirds majority which will in all probability be needed in plenary. As Bokhari lost no time in suggesting to us and to several others privately that a marriage of the two resolutions might be possible, and in view of the Chairman's appeal this morning to those delegations which now have

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[72] Professeur Ahmed Bokhari, représentant permanent du Pakistan auprès des Nations unies ; membre de la délégation à la septième session de l'Assemblée générale.
Professor Ahmed Bokhari, Permanent Representative of Pakistan to the United Nations; Representative, Delegation to the Seventh Session of the General Assembly.

resolutions or amendments before the committee to get together, we have been seeking to work out with friendly delegations an acceptable resolution which would have a fair chance of gaining a two-thirds majority.

3. We therefore met informally yesterday afternoon with Moe and Dons of Norway, Anderson of Denmark and Ralph Bunche of the Secretariat, whom Moe had invited to attend. Led by Bunche and Moe, this group revised the operative part of our resolution so as to incorporate ideas and a few phrases from the Pakistan resolution. We agreed from the beginning that it was going to be impossible to achieve the purpose we have set ourselves if we were to incorporate the principal feature of the Pakistan resolution, which is the reaffirmation of the resolution passed by the General Assembly at its last session (Resolution 512).[73] To accept this would in our opinion destroy the "fresh start" which we are seeking to make in urging direct negotiations, now that both sides are showing less unwillingness to come together to discuss a settlement. For Resolution 512 urged the implementation of previous assembly resolutions, and the Israelis would not agree to reaffirm it this year.

4. The results of this group's work were incorporated in the revised draft of the operative part of our resolution agreed to by the delegations of the United States, United Kingdom, France and Turkey late yesterday. The text of their further revisions was sent to you in our telegram under reference. The sponsors group had decided at our meeting yesterday afternoon that it would be preferable for any further amendments to be introduced by the United States, the United Kingdom, France and Turkey but these delegations were very reluctant to take the initiative because of their direct interests in the area and because they felt that much valuable time would be gained at this stage in the debate if a revised draft of the resolution were to be introduced by the sponsors themselves. The sponsors were also considering the possibility of asking Mexico to sponsor the revisions but for the reasons given above and also because we found that Mexico had some detailed and not too suitable amendments of its own in mind, we decided that it was preferable to ask Mexico to support the sponsors' revision in place of its own.

5. This afternoon, the sponsoring group met to consider what points from the Pakistan resolution and the Latin American amendments could be accepted by the sponsors without undermining our objective of bringing the parties together for direct negotiations in which they would determine their own agenda. The result of this afternoon's work is a draft revision of the sponsors' resolution, the text of which is given in our immediately following message. We hope to be able to table it sometime tomorrow if final approval is given by the delegations of Uruguay, Panama and Ecuador. However, we may not be able to submit the full text of our revised draft as the United Kingdom and United States delegations do not want to yield to the Arabs on increasing the membership of the Palestine Conciliation Commission unless this is sufficient bait to persuade the Arabs to vote for our resolution or at least abstain. When Dons of Norway, acting on behalf of Moe as chairman of the sponsors group, gave a copy of our

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[73] Voir le document 209./See Document 209.

revised draft to Shukairi of Syria late this afternoon, Shukairi was not particularly enthusiastic and held out no hope of the Arabs being prepared to vote for such a resolution, although he thought they might possibly decide to abstain. If we cannot get assurances from the Arabs that they will not oppose our revised draft, the sponsors will probably submit the draft with the paragraph expanding the Palestine Conciliation Commission deleted.

6. The sponsors have also given copies of the revised draft to Bokhari of Pakistan and Eban of Israel. Bokhari told me that he personally would not object to our revision which incorporated some of his points but he could not predict what the Arabs would decide to do. As he will be leaving for Karachi on Saturday, he will probably not have time to do much missionary work among the Arabs even if he were more enthusiastic about the revision than I think he is.

7. Dons has approached Eban but I do not yet know the Israeli reaction. There will clearly be points in our revision which Eban will not like although I cannot see anything to which they could legitimately take serious exception. We have held the line on the two fundamentals of (a) Direct negotiations, and (b) No explicit reaffirmation of previous Assembly resolutions as the basis for direct negotiations. I should therefore think that Israel should come around to supporting our revised text especially if we can convince them taht without the revision we shall have little hope of gaining a two-thirds majority because we shall not have sufficient support from the Latin American delegations.

8. To press this point home to them we shall tell them that at this afternoon's meeting, Ribas of Cuba said he thought that unless we accepted some of the ideas in the Latin American amendments and the Pakistan resolution, only half a dozen Latin delegations would support our resolution. He used this argument to urge us to accept the only part of the Chilean resolution which we have so far not accepted as we think it would also blur the basis of negotiations unnecessarily. However, as opinions on this point are divided among the sponsors and as it may prove necessary to accept something of the kind in order to round up a sufficient number of Latin votes, it is possible we may in the end agree. The amendment in question would add to operative paragraph 3 in our present draft resolution (urging direct negotiations) the following words:

> "It being understood that due consideration must be given in such negotiations to the fundamental principles contained in United Nations resolutions on Palestine and its problems."

9. As you can see, the situation is now reaching a point at which, if we get agreement from the Arabs to support or abstain on our revised draft, we might come to a vote by Saturday morning or Monday. The United States and United Kingdom delegations have agreed to speak as soon as they can to Shukairi and other leading Arabs, and to Eban, with a view to gaining their support or at least their toleration of the revised draft which, as we have pointed out to the United States and United Kingdom delegations, is in large measure their inspiration and about half their actual drafting. If we run into very heavy weather with both sides and the United States and United Kingdom representations are ineffective, the sponsors may have to consider whether it

would be worth while trying to amend our resolution further. I hope and believe it will not come to that, but I do not wish to give you the impression from anything I have said earlier that we anticipate an easy passage for our revision. Our main motive in attempting one has been the realization that Israel's estimates of support had been grossly exaggerated particularly insofar as the Latin delegations were concerned and that if we did not attempt an immediate revision, the result might well be that no resolution would emerge from this year's discussion on Palestine. As the committee's debate has shown that both sides were now closer to direct negotiations on a realistic basis than they have been since the armistice agreements were signed, the sponsors have felt obliged to take certain risks in the interests of bringing the parties together.

10. Incidentally, the two additional members for the Palestine Conciliation Commission at present being considered by the United States, United Kingdom, France and Turkey are Sweden and Mexico. There is however some doubt as to whether Sweden would be prepared, in view of sad memories, to serve. Ends.

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273. DEA/50134-40

Le chef de la délégation à l'Assemblée générale des Nations unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

TELEGRAM 450 New York, December 4, 1952

CONFIDENTIAL. IMPORTANT.

AD HOC COMMITTEE — PALESTINE

Reference: My immediately preceding message.

Addressed External No. 450, Important, repeated Beaver No. 135.

Following is text of revised draft resolution which will probably be tabled by the sponsors tomorrow, December 5, incorporating all accepted points in Pakistan resolution and in Latin amendments proposed today. Text begins:

Canada, Cuba, Denmark, Ecuador, Netherlands, Norway, Panama, Uruguay: Draft Resolution

The General Assembly

Reaffirming that it is the primary duty of all members of the United Nations, when involved in an international dispute, to seek the settlement of such a dispute by peaceful means, in accordance with Article 33 of the Charter;

Recalling the resolutions of the General Assembly and the Security Council on Palestine;

Recalling especially those resolutions calling upon the parties to achieve at an early date agreement on a final settlement of their outstanding differences;

Taking note of the twelfth progress report (A/2216) of the United Nations Conciliation Commission for Palestine in which it is suggested that "general or partial agreement should be sought through direct negotiations, with United Nations assistance or mediation;"

1. *Expresses* its appreciation of the efforts made to date by the Conciliation Commission for Palestine in the discharge of its mandate;

2. *Calls upon* the parties to honor fully their undertaking to refrain from any acts of hostility against each other;

3. *Reaffirms* the principle that the governments concerned have the primary responsibility for reaching a settlement of their outstanding differences, and with this in view;

4. *Urges* the governments concerned to enter at an early date, without prejudice to their respective rights and claims, into direct negotiations for the establishment of such a settlement;

5. *Requests* the Conciliation Commission for Palestine to continue its efforts to fulfill the tasks entrusted to it under General Assembly resolutions and to be available for such assistance in the negotiations as may be desirable;

6. *Decides* to increase the membership of the Commission to five, the additional members to be .... and ....;

7. *Requests* the Conciliation Commission for Palestine to render progress reports periodically to the Secretary-General for transmission to the members of the United Nations; and

8. *Requests* the Secretary-General to continue to provide the necessary staff and facilities for carrying out the terms of the present resolution. Ends.

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274. DEA/50134-40

Le chef de la délégation à l'Assemblée générale des Nations unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

TELEGRAM 462 New York, December 5, 1952

CONFIDENTIAL

AD HOC COMMITTEE — PALESTINE

Reference: Our telegram 450 of December 5 (Washington 135).

Addressed External No. 462, repeated Beaver 142.

When the Ad Hoc Political Committee met this morning, we found that the United States delegation had been unable to secure an undertaking from the Arabs to abstain on the revised joint draft resolution contained in my telegram under reference. The sponsors, therefore, withheld their revised draft and concentrated on efforts to secure a greater measure of support from delegations which had offered amendments.

2. At the close of the morning session Kyrou asked that an effort be made in two stages to harmonize the various proposals submitted to the committee. He proposed that the sponsors of the eight-Power draft resolution should meet first with the delegations which had offered amendments and thereafter with the sponsors of the four-Power draft resolution introduced by Bokhari in the hope of securing a single draft which would be generally acceptable.

3. What emerged from the first of these two meetings was the discovery that:

(a) Costa Rica and El Salvador maintained the position that direct negotiations between the parties to the Palestine dispute should be held "within the framework of the previous General Assembly resolutions concerning Palestine;"

(b) Peru maintained its position that there should be some reference to the jurisdiction of the United Nations under the previous resolutions relating to the Palestine problem;

(c) Chile was not inclined to agree to the revised draft unless the para. calling for direct negotiations included the words "it being understood that due consideration shall be given in these negotiations to the fundamental principles contained in United Nations resolutions relating to Palestine and its problems."

4. The Chilean representative explained that it was not the full text of past United Nations resolution which he was concerned about but the application of their "basic principles." He had in mind particularly guarantees from the parties for the protection of the holy places and to restore to the Arabs that part of Palestine in which the Arab population is concentrated. After the Latin American sponsors of various amendments had withdrawn, the representative of Uruguay undertook, as one of the sponsors of the eight-Power resolution, to see if he could not persuade the delegations of Costa Rica, El Salvador, Chile and Peru to accept the draft resolution as given in my telegram under reference.

5. Representatives of Pakistan and Iran explained that they would insist on paras 1 and 7 of the four-Power draft resolution. If we could accept these, they would give up the paras asking that the headquarters of the Conciliation Commission should be in Jerusalem and that the membership of the commission should be increased to five. They urged us to accept the second para of the amendment proposed by Costa Rica, El Salvador and their associates, to which reference is made in para 3(a) above.

6. After the delegate of Uruguay had been called away to make a speech in the plenary meeting, the remaining sponsors of the eight-Power draft resolution discussed the possibility of amending operative para. 4 to read as follows: "urges the governments concerned to enter at an early date into direct negotiations for the establishment of such a settlement, bearing in mind previous resolutions of the United Nations and the religious interests of third parties." It had been explained by Latin American delegates that although they would have preferred the original plan for direct United Nations control over the city of Jerusalem as a *corpus separatum* they would be willing to

settle for appropriate assurances from Jordan and Israel that the religious interests in the two countries would be properly respected.

7. When these developments were reported to Eban he said that if an innocuous phrase could be found about the protection of religious interests he would be willing to consider it. The members of the Palestine Conciliation Commission are a little afraid a proposed revision of operative para. 4 might have the effect of reopening the entire discussion, but at our suggestion the United States delegation will see if something can be done at this stage to get a representative meeting of the Arabs with a view to clinching the few concessions they already seem willing to make and persuading them to take the final step that is required if we are to have general agreement on the form of this year's resolution.

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275. DEA/50134-40

Le chef de la délégation à l'Assemblée générale des Nations unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

TELEGRAM 478 New York, December 8, 1952

CONFIDENTIAL. IMPORTANT.

AD HOC POLITICAL COMMITTEE — PALESTINE

Reference: My teletype No. 462 of December 5.

Addressed External No. 478 (Important) repeated Washington No. 147.

On Saturday morning Jamali (Iraq) and Shukairi (Syria) made kind references in committee to our statement of December 2.[74] Although they could not go along with all of it they appreciated the attempt to preserve a fair balance and thought this was a right approach.

2. Shakairi answered the questions which I had put to the Arabs in para. 10 of my statement in the hope of eliciting something from them that might be useful in bridging the gap between the parties. Instead of continuing to insist on implementation of all fifty-four of the United Nations resolutions on Palestine the Arabs have now narrowed the choice down to the original partition resolution (181 (II)) and para. 11 of resolution (194 (III)) on treatment of refugees. Part of the vagueness in Arab claims regarding implementation of "all" past resolution has thus been disposed of, we hope.

3. Negotiations between the co-sponsors of the eight-Power draft resolution and the Latin Americans who had proposed amendments to it continued through part of Saturday morning. We expect final agreement with the Latin

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[74] Voir Nations unies, *Documents officiels de l'Assemblée générale, septième session, Commission politique spéciale*, 30e séance, 2 décembre 1952, p. 192.
See United Nations, *Official Records of the General Assembly, Seventh Session, Ad Hoc Political Committee*, 30th Meeting, December 2, 1952, p. 176.

Americans this morning in return for a text which recalls "the *existing* resolutions of the General Assembly" in the second recital of the preamble and asks in the fourth operative para. for "direct negotiations..... bearing in mind the principal objectives of the United Nations in the Palestine question and the religious interests of third parties." The last phrase had been strongly urged upon all concerned by the Belgian delegation with French support.

4. At noon on Saturday the United States, United Kingdom and French delegations agreed to support this text. The Turkish delegation consulted its government.

5. Early Saturday afternoon Jessup of the United States delegation talked over this proposed text with the Arabs. The reaction was uncompromisingly negative. The Arabs are still smarting from Llewellin's[75] speech in which he argued against repatriation of Arab refugees and suggested that the longer the Arabs put off a peace settlement the less likelihood there was of getting any adjustment of the situation in their favour on the basis of past assembly resolutions. They are also disappointed over the prospective loss of Latin American support.

6. Although the Egyptian representative in private took a more moderate position than the other Arabs, Jamali said at the meeting with Jessup that the Arabs would fight against the proposed draft resolution " both here and in the Middle East." He also said they might ask to have item 67 removed from the agenda. If he carries out this threat Kyrou will say

(a) That this is a matter which the committee cannot decide,

(b) That he will refer it to the President of the Assembly,

(c) That discussion of item 68 will be deferred until the fate of item 67 has been decided, and

(d) The committee will pass to the question of new members.

7. We spent the week-end considering how to stave off the threatened breakdown. This morning at ten the eight co-sponsors are meeting to finalize the agreement on the text of the revised draft resolution. Moe will then introduce it in the Ad Hoc Political Committee, and we hope the Latin Americans will withdraw their various amendments. We plan to speak next ourselves in order to put to the Israeli delegation a question or two which will enable Eban to make a conciliatory reply. Rafael has agreed, and telephoned Eban in Washington about yesterday. If Eban's speech is as conciliatory as we hope it will be the atmosphere may possibly be more conducive to harmony than would have been the case if these preliminaries had not been arranged. We will inform you immediately if the proposal to withdraw item 67 from the agenda is actually pressed by the Arabs.

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[75] Lord Llewellin, représentant suppléant, délégation du Royaume-Uni à la septième session de l'Assemblée générale.
Lord Llewellin, Alternate Representative, Delegation of United Kingdom to the Seventh Session of the General Assembly.

276. DEA/50134-40

Le chef de la délégation à l'Assemblée générale des Nations unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

TELEGRAM 481 New York, December 8, 1952

CONFIDENTIAL. IMPORTANT.

AD HOC COMMITTEE — PALESTINE

Reference: Our teletype No. 478 of December 8th.

Addressed Ottawa No. 481, repeated Washington No. 149.

This morning December 8th, before the Ad Hoc Committee meeting, the sponsors decided on the final text of our revised resolution. We agreed on the revisions forecast in paragraph 3 of our teletype under reference on the understanding with the Latin delegations which had submitted amendments that they would withdraw them.

2. When the Committee met, Moe, on behalf of the sponsors, introduced the revised text of our resolution, explaining in detail the origins of the compromise language which we had adopted in an effort to meet Latin amendments and some of the points in the Asian resolution. Moe actually followed the text of the statement we had prepared on Saturday on the assumption that the Ad Hoc and First Committees were going to be meeting simultaneously on Monday and that Moe would be unable to speak for the sponsors.

3. Johnson supplemented Moe's remarks by pointing out that a certain measure of conciliation between the Arab and Israeli delegations had already been achieved in the course of the debate. On the one hand, Israel had submitted what were in effect counter proposals to the 1951 peace plan of the Conciliation Commission and, on the other, the Arabs had, in reply to our questions, narrowed down from 54 to 2 the General Assembly resolutions which mattered to them as a basis for direct negotiations. We went on to express the hope that as a next step Israel might be able to clarify what, it seemed to us, was a misunderstanding on the part of a number of Asian delegations who seemed, from their earlier statements, to be under the misapprehension that Israel was "brushing aside" all previous resolutions. We asked them whether within the context of paragraph 4 of the revised 8-Power draft resolution there was anything further they would like to add to make it easier for direct negotiations to begin.

4. Eban replied at once that he supported the revised text submitted by the sponsors; but he did not unfortunately make the kind of conciliatory statement, either in tone or comment, which we thought he had planned to make. Although the Canadian question and the Israeli reply were meant to appear spontaneous, we had, in fact, been in touch with Eban's delegation yesterday evening. This morning before the meeting we had read them the full text of this part of our statement, and it was our understanding that they had thought that

such a statement would give Eban a useful opportunity to reply in a way which would improve the atmosphere in this Committee and relieve some of the tension caused by the Arabs' sense of indignation at the by-passing of previous resolutions which Eban's earlier statement had implied. Eban's plane from Washington was so delayed, however, that he had only hurried conversations with his associates before the meeting began. All he did in his statement was to reaffirm his earlier proposals in rather stiff terms.

5. Shukairi, then pointed out to the Committee that Eban had not answered our question, which I think Shukairi might have also misunderstood. He went on to analyse the revised draft resolution, point by point. His main concern seemed to be that the sponsors had omitted from this text the phrase "in conformity with United Nations resolutions" which had appeared in previous resolutions as applied to any appeal for a settlement of outstanding differences between the parties. His criticism of our revision was highly negative and left no doubt that the Arabs will vote against our resolution unless they succeed in amending it.

6. At the request of Jamali of Iraq and after a vain attempt to use for a discussion of Eritrea a night meeting which had been scheduled for Monday, the Committee decided to postpone the voting until tomorrow.

7. The Arabs met this afternoon. We understand indirectly that they have been considering whether to submit amendments to our resolution, now that they find we have, to their extreme annoyance, won the Latin American delegations over to our side, or whether they should withdraw their item altogether. If they attempt to withdraw their item, they would probably need a two-thirds vote of the Assembly to take it off the agenda. This would not only create a bad precedent for others who may find themselves getting the worst of an argument they have started, but it might also have the effect of prolonging the Palestine debate still further, as the Israelis have undertaken to withdraw their Palestine item (the next on the Committee's agenda) only on condition that our resolution is passed. Jessup, we understand, is inclined to let the Arabs withdraw their item, as it is now clear that our resolution will not materially advance the prospects of direct negotiations. Naturally, the Israelis are strongly opposed to this and opinions among the sponsoring delegations seem to be divided.

8. As for amendments, we shall, I think, have to vote against further attempts to water down the principle of direct negotiations from as nearly as possible a fresh start. There is really no basis which we can now see for reaching an agreement with the Arabs who once again have come to the point of being prepared to discuss amendments too late in the course of our discussion of the Palestine item.

9. Copies of our statement in the Committee this morning are being sent to you by bag this evening[76] and the revised text of our resolution is attached to the United Nations Division's copy of the Canadian statement.[77]

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277. DEA/50134-40

Le chef de la délégation à l'Assemblée générale des Nations unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

TELEGRAM 493 New York, December 10, 1952

CONFIDENTIAL

AD HOC COMMITTEE — PALESTINE

Reference: Our telegram No. 481 of December 9, 1952.

Addressed Ottawa No. 493, repeated Washington No. 152.

The discussion yesterday morning, December 9th, was confused by the continuing uncertainty as to exactly what the Arabs intended to do. By process of question and answer, rehearsed in advance under United Kingdom coaching, Jamali made it plain that what the Arabs wanted was to have both Palestine items withdrawn, preferably by the sponsors of both resolutions withdrawing them. The sponsors did not agree to withdraw their resolution but thought that the proper way to proceed would be for the Arabs to move formally the withdrawal of the item.

2. Eban, however, immediately took the position that in that case the Israeli item on Palestine which comes next on our agenda would stand and he clearly intended to have the same debate over again possibly on the same resolution if the Arabs succeeded in having their item withdrawn.

3. Eban at the same time made a more satisfactory reply to the Canadian question asked on December 8th (our telegram under reference) and specifically accepted the sponsors' paragraph 4, saying that although the details of specific United Nations resolutions often became unimplementable with time, the principal objectives remained and other ways of implementing them more appropriate in present circumstances could be found by direct negotiations.

4. Johnson thanked Eban and, in a statement for which the Israelis were grateful, said that he thought that our question had been answered. The text of our brief statement is being sent to you by bag.†

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[76] Voir Nations unies, *Documents officiels de l'Assemblée générale, septième session, Commission politique spéciale*, 36ᵉ séance, 8 décembre 1952, p. 235.
See United Nations, *Official Records of the General Assembly, Seventh Session, Ad Hoc Political Committee*, 36th Meeting, December 8, 1952, pp. 212-3.

[77] Voir le document suivant./See following document.

5. The Mexican delegate, Quintanilla, then proposed adjournment until tomorrow and threw in the suggestion that both sides might be able to find common ground if the words "the resolutions of the United Nations and" were added in paragraph 4 after the words "bearing in mind". The proposal to adjourn was discussed for an hour until it was time to adjourn anyway.

6. The private talks which followed during the rest of the day focused on the Mexican compromise proposal. We managed to get the Israeli delegation to give us private assurances that they would not oppose the amended resolution if we could get a similar undertaking from the Arabs. Although some of the Arabs were, in private, prepared to agree with this proposition, they decided at their afternoon meeting that they would withdraw the item and not commit themselves to anything else. In fact, Shukairi specifically said that they would oppose the Mexican amendment and the resolution as amended.

7. In this situation, the sponsors met with the United States, United Kingdom and French delegations in the late afternoon and at the suggestion of Jessup, it was more or less agreed that the time had come when we should no longer be trying to negotiate with both sides but we should take our individual positions on the Mexican amendment. He said that for his part he hoped that it would gain a very good majority because he thought it was a fair and reasonable proposition which brought the resolution into better balance and might be more productive of the direct negotiations we all desired. Some of the sponsors however did not wish to commit themselves to accept the Mexican amendment, not knowing what position the Arabs and Israel would in the end adopt. The sponsors will therefore not be able to accept the Mexican amendment formally but the Committee will proceed to vote on it. It will without doubt be accepted and increase the support for the amended resolution. We hope to come to the vote today if, as we expect, the Arab motion for withdrawal of the item is defeated.

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278. DEA/50134-40

Le chef de la délégation à l'Assemblée générale des Nations unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

TELEGRAM 512 New York, December 11, 1952

CONFIDENTIAL

AD HOC POLITICAL COMMITTEE — PALESTINE

Reference: Ottawa: My telegram No. 493 of December 10th. Washington: My telegram No. 152 of December 10th.

Addressed External Ottawa No. 512 repeated Beaver Washington No. 155.

Following from Johnson, Begins: Yesterday, December 10th, the debate on paragraph 4 of the 8-power draft resolution was confused at the outset by the discovery that the interpreters on the preceding day in translating the remarks of the Mexican delegate had given the impression to those who were using the English, French and Russian translations that Quintanilla had suggested the adoption of the words "bearing in mind the resolutions as well as the principal objectives of the United Nations". The phrase he had used in Spanish meant, however, "taking into account", which Quintanilla as well as many others considered to have greater force than the phrase "bearing in mind".

2. Just before the afternoon meeting on December 10th, Eban met the 8 sponsors to say that although he would agree to accept the phrase "bearing in mind the resolutions as well as the principal objectives of the United Nations" he would not go so far as to accept the phrase "taking into account the resolutions." Because several of the 8 co-sponsors had said earlier that they would accept no further amendments unless, Israel agreed, it was decided not to go all the way suggested by Quintanilla.

3. When the afternoon session began, since the Chairman of the group of co-sponsors had to leave for Norway, I spoke accepting the inclusion of the words "the resolutions as well as" immediately after the words "bearing in mind" in paragraph 4 of the joint draft resolution. The Mexican representative said he would be obliged to abstain because we had not agreed to change the words "bearing in mind" to "taking into account". The delegate of El Salvador made a similar statement.

4. The delegate of Turkey explained that he would have to abstain because his government saw no point in adopting a resolution asking for direct negotiations over the opposition of one of the parties called upon to negotiate.

5. The representative of Syria tried to stave off the vote by proposing that a request should be made to the International Court of Justice for advisory opinions on four questions relating to the rights of Palestine Arab refugees and the right of the representatives of states to negotiate with Israel on behalf of refugees who are not citizens of those states.

6. During the reception given by the President of the Assembly immediately after the Ad Hoc Political Committee rose, Jamali of Iraq told Jessup of the United States that the Arab states would abstain on the 8-power draft resolution if the Mexican formula was adopted. Kyrou suggested to Jessup that perhaps an attempt might be made in the plenary meeting to get an arrangement of this sort.

7. In the meeting this morning no formal suggestion was made to change the wording of the revised 8-power draft. There were a number of explanations of forthcoming votes. The Egyptian representative stated that his government would "never enter into direct negotiations with Israel until the Government of Israel declares its readiness to respect United Nations resolutions." This declaration caused a commotion in the Israeli delegation, which throughout the whole debate on the Palestine item has been counting heavily on the co-operation of Egypt if the Assembly asks for direct negotiations without re-affirming its own past resolutions.

8. Shukairi attempted to have his resolution calling for a request for advisory opinions from the International Court of Justice voted upon first. His motion

was defeated by a vote of 13 in favour, 21 (including Canada) against, and 24 abstentions. The voting on the 8-power draft resolution was conducted in three parts, with a roll call vote taken only on paragraph 4. The vote on the draft resolution to the end of paragraph 3 was 34 in favour (including Canada), 11 against and 9 abstentions. In the roll call vote on paragraph 4 there were 31 in favour (including Canada) 14 against and 13 abstentions. Paragraphs 5 to 7 were adopted by a vote of 35 in favour (including Canada), 16 against and 3 abstentions. The resolution as a whole was passed by 32 in favour (including Canada) 13 against and 13 abstentions. Those voting against were the sponsors of the 4-power draft resolution, the six Arab states and India, Thailand and Ethiopia. The states abstaining were Argentina, Belgium, China, El Salvador, Greece, Mexico, Peru, Turkey and the Soviet bloc.

9. The Syrian proposals to refer four specific questions to the International Court of Justice for advisory opinions were defeated by a vote of 13 in favour, 26 (including Canada) against and 19 abstentions.

10. It may be significant that the representative of the Soviet Union, in explaining his vote on the Syrian proposal, went a step further than usual in giving comfort to the Arab delegations. He referred not only to the American-Israeli conspiracy to undermine the security of the Middle East but said also that no matter what advisory opinions the International Court might give, past resolutions of the General Assembly still retained their validity.

11. The delegate of Israel, in explaining his vote on the 8-power resolution, then made fully as conciliatory a statement as we had hoped to elicit from him on December 8. He said the adoption of the resolution recommending normal procedures would bring the states together in an atmosphere of good will. He pointed out that the resolution would not confer privileges on either party but laid on his country and others a heavy responsibility for seeking patiently a satisfactory settlement of outstanding issues. Ends.

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279. DEA/50134-40

Le chef de la délégation à l'Assemblée générale des Nations unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

TELEGRAM 544 New York, December 15, 1952

SECRET

GENERAL ASSEMBLY — PALESTINE

Reference: My telegram No. 512 of December 11.

Following from Johnson, Begins: Since the vote was taken in the Ad Hoc Political Committee on December 11 approving the 8-power draft resolution which recommends that the parties to the Palestine dispute should enter into direct negotiations "bearing in mind the resolutions as well as the principle objectives of the United Nations on the Palestine question, including the religious interests of third parties," the United Kingdom delegation has been receiving telegrams from the Middle East which have disturbed the minds of several members of the delegation. They have indicated to us increasing concern about the effect on Middle East defence planning of a draft resolution in which the assembly is asked to reverse its attitude on the rights of refugees, the territorial division of Palestine, and international supervision for the Holy Places.

2. This concern, which has grown every day since the vote was taken, came to a head this morning with the publication in the *New York Times* of a delayed press interview in which the Prime Minister of Israel, Mr. Ben Gurion restated his position on December 7 in clear terms:

(a) Israel would exclude all Arab refugees but build up its Jewish population to four million within ten years;

(b) No territorial concessions would be made beyond minor adjustments and exchanges of pieces of land to straighten out the frontier;

(c) No negotiations would be undertaken on the status of Jerusalem;

(d) Development of neighbouring Arab states would be impossible without the aid of Israeli experts, which is the very thing the Arab states have always feared most since they assume it would mean permanent economic domination of Arab countries by Israel.

3. This morning at a meeting attended by United States and United Kingdom representatives and two members of the Canadian delegation, the situation was reviewed. It was agreed that the publication of the statements attributed to Mr. Ben-Gurion would probably affect the vote in plenary on Tuesday afternoon and make the initiation of direct talks more difficult. The statement would be regarded as tantamount to a declaration that peace must be established on Israel's terms. Some of the Latin American states may, consequently, have to change their affirmative votes to abstentions although there may also be some shifts from abstentions to affirmative votes. The United Kingdom may also abstain. The Arab states have been lobbying actively. Shukairi appealed to me directly to change the phrase "bearing in mind" to "in conformity with". When I asked him if he would be able to accept or abstain if the phrase "taking into account" were used, he said all of the Arab states would have to vote against it.

4. The United States delegation does not seem to share fully the apprehensions of the United Kingdom representatives. It takes the view that the Arab states were bound to dislike a draft resolution calling on them to accept a more realistic appraisal of what they can get by way of a peace settlement. Barco still maintains that the time has come when this must be made clear to them. Jessup, however, is turning over in his mind the possibility of finding an Asian delegation to propose the substitution of the phrase "taking into account" for "bearing in mind". The change might not affect the assembly vote appreciably but it might facilitate the initiating of direct negotiations after the first Arab reaction has had time to spend itself.

5. The co-sponsors of the 8-power draft resolution seemed divided in their private views last week on the Mexican proposal to use the phrase "taking into

account". Now that the draft resolution has been adopted by the Ad Hoc Political Committee it has ceased to be the property of the eight co-sponsors, who presumably have recovered their freedom of action. We are not taking any initiative in pressing for the Mexican amendment ourselves but did make it clear to the United States and United Kingdom delegations that we wish to know what importance they attribute to the strong reaction in the Middle East to the Ad Hoc Political Committee's decision. The Minister feels that there is not much difference between the Mexican proposal and our own phrase, and if it is thought that the adoption of Quintanilla's phrase will make it easier for direct negotiations to begin, we should of course support it, although we are not in a position to propose the amendment ourselves. Ends.

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280. DEA/50134-40

Le chef de la délégation à l'Assemblée générale des Nations unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

TELEGRAM 553 New York, December 17, 1952

CONFIDENTIAL

GENERAL ASSEMBLY — PALESTINE

Reference: My teletype No. 544 of December 15, 1952.

Addressed External No. 533, repeated Beaver No. 166.

1. At yesterday afternoon's plenary meeting the delegate of Iraq moved that a discussion should be held on the report of the Ad Hoc Political Committee on the work of the Palestine Conciliation Commission. This motion received more than the necessary vote of one-third (16 in favour, 9 against, with 20 abstaining, including Canada, the United Kingdom and the United States).

2. The Palestine question was not reached in yesterday's plenary but will come up at tonight's meeting.

3. The United Kingdom has decided to vote in favour of the resolution adopted by the Ad Hoc Political Committee. On explanation of vote the United Kingdom delegate expects to say that the phrase "bearing in mind" is not the equivalent of "disregarding" and it is understood that Eban will reply for Israel undertaking not to lose sight of past resolutions of the United Nations.

4. The Government of Israel has considered it wise to issue a supplementary statement on its attitude toward the Holy Places. This was distributed to members yesterday afternoon. It is in effect an affirmation that "reverent regard" for religious interests of third parties will continue to characterize Israel's policy. Whether or not a statement as vague as this will affect Latin American votes still remains to be seen.

281. DEA/50134-40

Le chef de la délégation à l'Assemblée générale des Nations unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

TELEGRAM 561 New York, December 18, 1952

CONFIDENTIAL

GENERAL ASSEMBLY — PALESTINE

Reference: My teletype No. 553 of December 17.

Addressed External No. 561, repeated Beaver No. 168.

Following from Johnson, Begins: Although the question of Palestine was not reached in the plenary meeting last night, an amendment by the Philippines to paragraph 4 of the draft resolution on Palestine was distributed. The Philippine amendment asks for the substitution of the words "on the basis of" for "bearing in mind". It also asks for the addition, at the end of paragraph 4 of the words "and, in particular, the principle of the internationalization of Jerusalem."

The United States and the United Kingdom delegations are inclined to vote against both parts of this amendment. The Netherlands and Norway took the same view last evening but the Chilean delegate told us that he and other Latin American representatives would find it very difficult to vote against the second part of the amendment.

Our delegation is discussing this morning with the Minister the question of whether Canada should vote against both parts of the amendment or abstain on the second part. Ends.

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282. DEA/50134-40

Le chef de la délégation à l'Assemblée générale des Nations unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

TELEGRAM 574 New York, December 19, 1952

CONFIDENTIAL

GENERAL ASSEMBLY — PALESTINE

Reference: My telegram 561 of December 18.

Addressed External No. 574, repeated Beaver 172.

Following from Johnson, Begins: After consulting the Minister yesterday morning, December 18, on the line to be taken in voting on the Philippine amendment to paragraph 4 of the draft resolution on Palestine, I made a brief intervention explaining the Canadian vote.

2. Since the Philippine amendment was to be considered in two parts it was possible for us to vote against the first part, the purpose of which was to tie the Arab-Israeli negotiations more closely to past resolutions of the United Nations, while abstaining on the second part, which invoked the principle of the internationalization of Jerusalem. In my intervention I said that the Canadian Government "has always maintained and still maintains, that international supervision of the Holy Places should be established." I went on to explain that if the second part of the Philippine amendment were generally understood in this sense, we should have been able to vote for it. The phrase used in the Philippine amendment, however, had come to be closely associated with a particular plan for Jerusalem which had been found to be inoperable. It was for this reason that we were obliged to abstain in the vote on the use of this phrase. I repeated, however, that the Government of Canada continues to favour the principle of international supervision of the Holy Places.

3. The full text of my statement goes to you separately by bag.[1]

4. At a supper party at the home of Gideon Rafael last evening, Mr. Lourie told Miss MacCallum that the new Israeli Ambassador to Tokyo passing through Manila had seen government officials, who expressed dissatisfaction because the delegate of the Philippines had been absent when the vote on Palestine was taken in the Ad Hoc Political Committee on December 11. The Israeli Ambassador was assured that the vote of the Philippines in the plenary would be cast in favour of the 8-power draft resolution. A circular dispatch which reached the new Papal Nuncio in Manila about the same time, however, expressed the dissatisfaction of the Vatican with the form of reference in paragraph 4 of the draft resolution to the "religious interests of third parties." A call from the Papal Nuncio resulted in instructions from Manila to the Philippine representative here to introduce an amendment invoking directly the principle of the internationalization of Jerusalem. Lopez acted without consulting any Latin American delegations, but some of the latter had also received communications from their governments concerning the attitude taken by the Vatican to paragraph 4 of the draft resolution.

5. The vote on this part of the Philippine amendment was 28 in favour and 20 against, with 12 abstentions including our own, thus failing to win a two-thirds majority. This is the second defeat suffered in the General Assembly for the principle of direct international control over the Jerusalem area. It was apparently more decisive than the vote of December 15, 1950, when there were 30 votes in favour, 18 against and 9 abstentions, including that of Canada. In yesterday's vote Belgium, Yugoslavia and Ethiopia supported the principle of internationalization, along with 13 Latin American States and 12 members of the Arab-Asian group. The Soviet bloc, the United States, the United Kingdom, Turkey, most of the co-sponsors of the draft resolution, New Zealand, Panama, Uruguay and Israel voted against this part of the amendment. France, Australia, Greece and a scattering of Latin American States abstained along with ourselves.

6. Israel renews its offer to accept international supervision of the Holy Places but maintains that yesterday's vote will permit the removal of the Foreign Office without further delay from Tel Aviv to Jerusalem. It is believed that without the intervention of the Philippines there would have been a clear two-thirds majority for the draft resolution asking the parties to bear in mind the religious interests of third parties.

7. The vote on the first part of the Philippine amendment was closer (26-24-10). Turkey and several Latin American States joined the Arab-Asian bloc in supporting the demand that peace negotiations should be based on United Nations resolutions. Canada and the other co-sponsors of the draft resolution voted against the amendment, along with the United States, United Kingdom, France, Australia, New Zealand, South Africa, several Latin American States and the Soviet bloc. After the defeat of both parts of the Philippine amendment the draft resolution recommended by the Ad Hoc Political Committee was also rejected for lack of a two-thirds majority. The vote was as follows:

For — 24 including Canada and all the eight co-sponsors, the United States, the United Kingdom and France.

Against — 21 including the Arab-Asian bloc and the Soviet bloc. Abstentions — 15 including Turkey, Greece, the Philippines, Belgium and a few Latin American States.

8. Jessup, in an explanation of vote shortly before the vote was taken, made a plea to the Arab States in which he stressed the fact that paragraph 4 of the draft resolution involved no surrender or impairment of their rights and no casting aside of past resolutions of the General Assembly. This statement may be quoted to good effect in retrospective discussions of yesterday's events but it had no immediate effect on the tension from which Arab delegations were suffering. Zafrullah Khan said that in order to regain some respect for United Nations resolutions in the Middle East what the Assembly should do was to insist that a State which owes its very existence to resolutions of the General Assembly should conform with those resolutions. Eban developed the theme of Israel's reverent regard for the Holy Places and asked that discussions of his government's policy should be based not on journalists' accounts of what they believed Mr. Ben-Gurion may have said at a luncheon but by the official statements made to organs of the United Nations by Israel's accredited representatives. Shukairi argued that the statements attributed to Mr. Ben-Gurion in the *New York Times* article of December 15, coincided fully with official statements made by Israeli representatives to the United Nations. After the vote, in a highly emotional speech, he thanked the Asian, African, Latin American and Soviet delegates which had helped to defeat the draft resolution. He also thanked the United States, the United Kingdom and France for having supported in 1948 the principle of repatriation of refugees and the internationalization of Jerusalem.

9. Eban then took the rostrum to point out that the Assembly had rebuked the initiative taken by the six Arab States which had inscribed the Palestine item on the agenda. It was clear that the Assembly would not object if peace negotiations were undertaken on terms which did not impose on Middle

Eastern Governments the provisions of past Assembly resolutions which have been "overtaken by events". He clearly hoped that the Palestine issue would not be taken up in the Assembly again and believed that Israel has at last succeeded in escaping from the political jurisdiction of the General Assembly.

10. Yesterday's vote was a tactical defeat for the co-sponsors of the 8-power draft resolution as well as a defeat for the Israeli delegation, which had asked for our help in getting the Arabs to enter into direct negotiations with representatives of Israel. It was also a tactical defeat for the United States and United Kingdom delegations, which had urged us at various times to resist pressure to have past Assembly resolutions reaffirmed. But this tactical defeat may have the practical effect of hastening the peace negotiations we desire, since the satisfaction the Arabs have derived from the rejection of the draft resolution has put them in a less resentful mood.

11. During the discussions last week about what we should do regarding the Mexican compromise proposal, which would have placed greater emphasis on past Assembly resolutions, we ourselves were rather more concerned than some of our colleagues in other delegations about what the Soviet bloc would do. We feared that after abstaining in committee its members might vote against the draft resolution in the plenary, thus posing as the true friends of the Arab refugees and the champions of past United Nations resolutions. Dejany of Saudi Arabia had mentioned this possibility to us. He did not relish the prospect, since the refugees already constitute a serious security risk and a sharp swing toward the Soviet Union would create fresh problems for Arab governments. The harm done by the actual vote of the Soviet bloc will be partially offset, however, by the fact that they did not support the first part of the Philippine amendment and by the consideration that they are not likely to follow through with contributions to the Relief and Works Agency, while the United States and United Kingdom are likely to continue their substantial financial support of Arab refugees. The situation, however, is not entirely without danger. Ends.

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283. DEA/50134-40

Le chef de la délégation d'Israël
à l'Assemblée générale des Nations unies
au chef de la délégation à l'Assemblée générale des Nations unies

Chairman, Delegation of Israel
to the General Assembly of the United Nations
to Chairman, Delegation to the General Assembly of the United Nations

AE/641 Washington, December 22, 1952

Dear Mr. Pearson:

I write to convey my Government's thanks for the efforts made by the Canadian Delegation, so brilliantly represented by Ambassador Johnson and Mrs. McCallum, to advance the cause of a negotiated peace, between Israel and the Arab states. A clear consensus of majority opinion developed in favour of the thesis which Canada so eloquently upheld. Despite the lack of any formal action by the General Assembly, the moral weight of its majority opinion was unmistakably expressed.

It may well be that the refusal of the General Assembly for the first time in nearly six years to adopt a Resolution on the "Palestine Question" symbolizes the desire of the United Nations to see the governments of the area themselves adjust their differences by direct relationship and contact. Thus the Assembly over which you have presided may come to be regarded as a constructive turning point in the pacification of the Near East.

With best wishes for Christmas and the New Year,

Yours very sincerely,

ABBA EBAN

SUBDIVISION III/SUB-SECTION III

POLITIQUE CONCERNANT LE PERSONNEL
PERSONNEL POLICY

284. DEA/5475-H-40

Extraits de la lettre du représentant permanent auprès des Nations unies au sous-secrétaire d'État aux Affaires extérieures

Extracts from Letter from Permanent Representative to the United Nations to Under-Secretary of State for External Affairs

LETTER No. 724 New York, June 11, 1952

SECRET

UNITED NATIONS SECRETARIAT DISMISSALS — HOUSE CLEANING OR WITCH HUNT?

Reference: Our letter No. 644 of May 26.†

1. I suppose it is not surprising that during an election year in the United States, the United Nations should come in for more than its normal quota of abuse as "a nest of communists" which the "soft" United States Administration is supporting. The recent hearings of a Federal Grand Jury in New York, coupled with the continuation of hearings in Washington by the McCarran Committee of the Senate and the House Committee on Unamerican Activities, have focused public attention on the testimony of several American citizens who are, or have been until recently, members of the United Nations Secretariat. The Bricker and Vorys resolutions in Congress and many other private resolutions such as those passed this spring by the Daughters of the American Revolution, testify to the evidently wide-spread belief in the United States that the United Nations should "clean house".

2. Since the Korean war broke out, this is what Mr. Lie has gradually been doing. The latest batch of seven dismissals in as many weeks has, however, had its reaction not only in the Secretariat but outside the United Nations as well,

and at his press conference on June 6, Mr. Lie was peppered with questions which reflected a certain uneasiness as to the basis of the policy of the Secretary General in dismissing employees on security grounds.

3. At his press conference Mr. Lie maintained his previous stand that the United Nations does not discharge communists on its staff because they are communists. The contracts of certain members of the Secretariat had recently been terminated, Mr. Lie said "in the best interests of the United Nations." He would not amplify on that statement, but said he reserved for himself the right to judge each case on its merits and the right to make his decision without giving his reasons. A copy of the report of the press conference in the *New York Times* of June 7 is attached.[†]

4. I think you are already sufficiently familiar with the background. Last summer and fall the Delegation supplied you with full documentation on the five appeals of dismissed employees to the Administrative Tribunal, the fight which then developed between the Administrative Tribunal and the Secretary General over the two cases — generally considered the weakest — whom the Administrative Tribunal recommended should be reinstated or indemnified, and the decision of the General Assembly at its last session to strengthen the hand of the Secretary General by amending the Staff Regulations. This decision, which was taken with the support of the Canadian Delegation, gave Mr. Lie authority to dismiss non-permanent employees without necessarily giving a reason (Article 9 of the Revised Staff Regulations of the United Nations adopted by the General Assembly on February 2 — Resolution 590 (VI)).

. . .

5. In analyzing the cases of the seven United States citizens who have been dismissed in recent weeks, it is extremely difficult to sort out fact from rumour. This is a subject which members of the Delegation must approach with great caution and we have therefore discussed it with only a few members of the Secretariat whom we knew well and whose judgment and discretion we trusted. They themselves have had the same difficulty in establishing the facts because the matter had been dealt with in the Secretariat by a very few people — Mr. Lie and Mr. Byron Price being the principal ones concerned. I have not yet spoken to either Mr. Lie or Mr. Price but if I get a suitable informal opportunity shortly I intend to ask them what the facts are.

. . .

9. Members of the Secretariat cannot help comparing Mr. Lie's dismissals during the past year with the much more moderate and cautious policy which he had previously pursued.

. . .

11. I suppose that in practice the problem really only arises for the Secretary General when he has information that a national of one of the western countries has communist sympathies and may be regarded as subversive from the point of view of his government. It is not, he feels, "in the best interests of the United Nations" to keep on its staff Americans who may be thought by

influential members of Congress to be tainted, if not dangerous. In terms of good internal administration, the Secretary General is, I know, anxious to have as few communists as possible on the Secretariat who are not nationals of a communist country. I can see that, from the point of view of western delegations, it is more likely to promote good security if we can assume, when we are speaking to a member of the Secretariat whom we know is from a western country, that he will not be reporting to the Soviet Delegation, as we must assume is the case with members of the Secretariat from Soviet and satellite countries. There is, nevertheless, no constitutional reason whatever, either in the Charter or the Staff Regulations or in any resolution of a United Nations body, to justify the Secretary General of the United Nations in dismissing any employee because he is a communist. Article 100 of the Charter and the Oath of Office of employees of the Secretariat (paragraph 1.9 of the Staff Regulations) say only that, as international civil servants, members of the Secretariat should have "the interests of the United Nations only in view," and should not "seek or accept instructions ... from any government or other authority ... ." In dismissing western members of the Secretariat because they are (from the point of view, say, of the F.B.I.) "poor security risks," the Secretary-General must therefore maintain that he is acting solely "in the best interests of the United Nations," and that, officially, it is a coincidence that the dismissed employee happens to be a communist.

12. The whole issue of the Secretary General's dismissals is, I am afraid, likely to become more rather than less acute in coming months. We understand on good authority that there are some twenty to thirty "doubtful" cases pending. If a proportion of these cases are dismissed, and particularly if Mr. David Weintraub is forced to resign, there will in all probability have to be a major show-down at the next General Assembly — and this, we firmly believe, should if possible be avoided.

. . .

17. I have gone into this question in some detail not only because I think the matter of principle is important but because the Secretary General is at present in the process of having a large proportion of his temporary staff contracts reviewed. In accordance with the mandate of the last General Assembly, the status of some 1150 temporary staff with over two years service is to be determined during the next two years with the assistance of an independent five man Selection Committee under the chairmanship of Mr. F.P. Walters, former Deputy Secretary General of the League of Nations. The Walters Committee is evidently intended by the Secretary General more as a means of sorting out inefficient staff members than a means of screening doubtful security cases. These, we understand, Mr. Lie and Mr. Byron Price intend to deal with themselves. During the coming years of the Walters Committee's review, the whole subject of staff contracts is likely to remain in a state of flux.

18. At present a member of the Secretariat who is dismissed may appeal to the Joint Appeals Board established as a joint body with equal representation of U.N. administration and Staff Committee. From this body a further appeal is possible to the Administrative Tribunal which was set up by the General

Assembly in 1950 in order to have some independent and final board of review outside the Secretariat. In practice, however, the effect of the revision of the Staff Regulations in Paris has been to give the Secretary General virtually a free hand in dealing with security cases, as in practice neither the internal Appeals Board nor the external Administrative Tribunal now feel they can decide on cases in which they realize that it may not be possible to give them all the relevant facts for reasons of security. In recent months, there have in fact been no appeals in security cases. We have heard indirectly, from a leading member on the staff side of the Joint Appeals Board, that they have virtually decided to leave security cases alone; as the Secretary General is no longer required to give reasons, there is nothing for the Board to review. Thus the Secretary General has now almost unlimited power and the employee almost no recourse against the decision of the Secretary General to dismiss him on security grounds.

19. If the Secretariat and those delegations which are interested in these matters felt that adequate procedure for handling appeals and reviewing administrative decisions in security cases existed, a large part of their doubts and misgivings would be eliminated. . . . Perhaps what is needed is something comparable to the Security Panel in Ottawa. But the history of the Administrative Tribunal in the past year has shown the difficulty of relying on its inexperienced and sometimes prejudiced members to carry out such a function impartially.

20. We are, it seems to me, faced with an uncomfortable dilemma. If we are prepared to admit to ourselves, United Nations regulations and resolutions notwithstanding, that the U.N. Secretariat should not harbour, for example, an American citizen who is known to have taken part in espionage for the Soviet Union, then we may have to reconcile ourselves to leaving the Secretary General very wide discretionary powers. Any independent body set up with authority to review such cases would have to do so in accordance with United Nations regulations and resolutions and could not be expected to take account of secret evidence presented by, say, the F.B.I. Some people would go even further and say that as any known communist might be used for subversive activities by the Soviet Delegation, all known communists from western countries should be dismissed. Indeed, the extreme position in this direction is that anyone regarded as a political liability to the Organization should not be carried on its staff, particularly if his presence is prejudicial to United States support for the Organization.

21. On the other hand, it is possible to take the position based on the Charter and on the resolutions of the General Assembly that the United Nations cannot discriminate in this way and that provided a communist is not known to be violating his oath as an international civil servant, he, should not be touched. From this point of view, it might well be desirable to strengthen the hand of the Administrative Tribunal and the Joint Appeals Board so that they might effectively review security as well as other cases.

22. When the revision of the Staff Regulations was being discussed in Paris, the Canadian Delegation, among others, supported the extensive powers which the Assembly gave to Mr. Lie partly because we trust Mr. Lie and believe the solemn assurances which he gave to the Assembly that he would exercise his powers with the greatest care and restraint. On the basis of these assurances, I think we should continue to support Mr. Lie. But it is possible that he may need support not only against attacks from outside but against pressures from within the Secretariat. As Assistant Secretary General for Administrative and Financial Services, Mr. Byron Price takes the initiative in the current house cleaning. Unless he is restrained effectively by Mr. Lie, many of those who know Mr. Price best think that he may go too far. Yet he is in a very strong position because he is supported by many influential people in Washington and if he were to resign on a house cleaning issue (as he threatened to do last September) it would do considerable harm to the United Nations in the United States. By letting Mr. Lie know that we are taking an interest in what is happening in the Secretariat, I think we can make him feel that he would not be alone in maintaining a cautious and reasonable policy, free from any taint of McCarthyism. For the fear of McCarthyism in the Secretariat could not only sap morale and efficiency but could very well warp the impartial character of reports drafted by the Secretariat.

23. Though Mr. Lie is perhaps unduly sensitive to personal criticism or anything he might regard as "disloyalty" among his staff, I believe he would not willingly or easily yield to pressure from any government to have a member of the U.N. Secretariat dismissed on security grounds. Moreover, I am inclined to doubt that there has been any direct pressure from the United States Government, though I should not be surprised if Mr. Price had access to F.B.I. information. It is possible, however, that Mr. Lie may feel that the mood of Congress and public opinion in the United States require him to eliminate American communists from the Secretariat "in the best interests of the United Nations." He has the power to do so. But he will have to exercise his power with care and restraint if he is to avoid criticism. Public opinion in the United States is, happily, not the only yardstick of what is "in the best interests of the United Nations."

DAVID M. JOHNSON

285. DEA/5475-H-40

Extrait de la note du sous-secrétaire d'État aux Affaires extérieures pour le secrétaire d'État aux Affaires extérieures

Extract from Memorandum from Under-Secretary of State for External Affairs to Secretary of State for External Affairs

SECRET Ottawa, October 15, 1952

CANADIAN POLICY REGARDING UNITED NATIONS STAFF MATTERS

. . .

Canadian Support for the Secretary-General against United States Interference

10. You will recall that Mr. Lie indicated to our Permanent Delegation last June that he was worried about the action of United States' Grand Juries and other United States bodies in respect of United Nations employees and was planning to seek United Kingdom and French support in upholding the rights of the United Nations in the United States. The Secretariat have not raised this question with the Delegation since that time but it may well come up in informal discussions before United Nations staff matters are discussed in the Fifth Committee. It would appear to me that we should support the Secretary-General in any case where the United States authorities have obviously attempted to investigate the activities of a United Nations' employee while working as a member of the Secretariat. The difficulty here, of course, is where the line should be drawn since it would seem difficult to criticize investigations by United States authorities insofar as such investigations are conducted with a view to protecting the security of the United States. It would seem reasonable to suggest, however, that the Secretary-General should not be required to submit evidence to United States authorities regarding the normal working activities of a member of his staff, nor should he be required to release confidential information concerning the character or record of such individuals. Although it is difficult to decide in advance what our course of action should be on any one case or group of cases, I should be glad to know whether you agree that we should endeavour to lend the Secretary-General our moral if not our official support in his dealings with the United States authorities on this question.[78]

L.D. W[ILGRESS]

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[78] Note marginale :/Marginal note:

Yes — as long as he follows the line indicated in the para. (10) If this matter comes before the Assembly — we should support the S[ecretary] G[eneral] in resisting any unjust inappropriate national interference in staff matters, *but* it will not always be easy to know what is unjust and inappropriate. In doubtful cases we should lean to the side opposing national interference. L.B. P[earson]

286. DEA/5475-H-40

Note du conseiller[79] *auprès de la délégation à l'Assemblée générale des Nations unies pour le chef de la délégation à l'Assemblée générale des Nations unies*

Memorandum from Adviser,[79] *Delegation to the General Assembly of the United Nations, to Chairman, Delegation to the General Assembly of the United Nations*

[New York], December 15, 1952

I am attaching the final text of the draft memorandum left with you last Friday evening.

S. POLLOCK

[PIÈCE JOINTE/ENCLOSURE]

DEA/5475-H-40

Note du conseiller auprès de la délégation à l'Assemblée générale des Nations unies pour le chef et le chef adjoint de la délégation à l'Assemblée générale des Nations unies

Memorandum from Adviser, Delegation to the General Assembly of the United Nations, to Chairman and Vice-Chairman, Delegation to the General Assembly of the United Nations

SECRET [New York] December 12, 1952

UNITED NATIONS SECRETARIAT

As you are fully aware, the whole question of U.N. personnel policy has become the subject of public controversy and is rapidly assuming proportions which may have an important, if not decisive, influence on the calibre of the Secretariat and even, possibly, on the future status of the Organization.

2. Contributing substantially to the prevailing atmosphere of "crisis" has been allegations of "Communist penetration" into the Secretariat. Although these allegations reached their zenith during the recent Presidential campaign, they are continuing as a result of press and public interest in the activities of the Grand Jury and the McCarran Sub-Committee, as well as recent statements by Senator Wiley. However, it would be wrong to assume that an adverse press in the United States is the only or even, necessarily, the most important factor. Closely connected in a very complex and confused situation are a number of other issues including:

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[79] Sydney Pollock, Direction des Relations internationales du ministère des Finances.
Sydney Pollock, International Relations Division, Department of Finance.

(a) drastic changes in the United Nations salary, allowance and leave system following adoption of the Fleming Report by the Fifth Session of the General Assembly;

(b) a recent report and statement by Mr. Lie criticizing judgments of the Administrative Tribunal and requesting "clarification" of the Tribunal's "competence"; this statement has been interpreted by some members of the Secretariat as an expression of Administration intentions to eliminate or substantially curtail the "right of appeal";

(c) approval by the Sixth Assembly of the Permanent Staff Regulation and the consequential establishment of the Walters Committee, which is now reviewing the competence and entitlement of each staff member to a permanent contract.

3. I would hesitate to burden you with a memorandum attempting to cover the background and details of each of these issues. I know that you are already familiar with some of them as a result of recent despatches from Ottawa. You may also have seen the attached clippings from the *Sunday Times* including a featured story by Rosenthal and a legal opinion by a United States trial lawyer[†] which throw considerable light on these matters.

4. For your immediate purposes, I think it might suffice to let you know that, if you are speaking to members of the Secretariat, you will probably be confronted with queries or references to some or all of the above questions.

5. The probable conclusions to be drawn from these references might include the following:

(a) there is a real concern among the Secretariat, including some senior members, that the "international character" of the staff may be prejudiced if pressure, direct or indirect, from individual member states (including the "host country") is accepted as a basis for selection and maintenance of the staff;

(b) apart altogether from interpretation of the proper relationship of member states to the Organization in selection of personnel, there is a substantial and vocal segment of the Secretariat (including some senior officials) who would contend that the Administration is pursuing personnel policies which are not conducive to the development of a competent and confident international civil service with high morale.

6. In an effort to bring together all parts of this complex picture, Mr. Johnson accepted my suggestion (two weeks ago) that we establish a small working group within the Delegation. Members of this group included Senator Isnor (while he was here), Messrs. Johnson, Leger, Scott, Burbridge, George and myself. Following our meetings Mr. Martin was briefed.

7. At our first meeting it was agreed that the first task was to assemble all available information both on the major issues to be decided and the attitudes of other delegations and the Secretariat. In order to ensure proper coordination of our efforts, I was charged with the primary responsibility of gathering and collating the information.

8. Last evening I was able to suggest that we meet again to review the information I had obtained and to consider an appropriate course of action.

Senator Isnor was not available but Mr. Martin attended, along with other members of the working group.

9. In brief, the results of my investigations and the tentative conclusions reached by the working group were as follows:

(a) a "full-dress" debate in the Fifth Committee during the dying stages of the session would likely be confused, uncoordinated and unconstructive. At best it would probably be indecisive and unlikely to deal thoroughly and comprehensively with the fundamental issues involved. At worst it would be excitable, inflammatory and upsetting — a perfect "propaganda" vehicle for those member states anxious to embarrass Mr. Lie and the "host" country and an ideal forum for rhetoric and demagoguery. In the present "supercharged" state of U.S. public opinion and the low morale of the staff this would be highly undesirable;

(b) the Jurists' Report suggests, essentially, that the Secretary-General has adequate authority, indeed the responsibility, under the Charter and the present staff regulations to deal with the question of "disloyal" staff members;

(c) the Secretary-General has already tendered his resignation and the new Administration will take over in Washington shortly after the New Year. It may be an optimistic assumption, but at least we can be hopeful, that as the election campaign fades into the background, and Eisenhower and Brownell take over in Washington (with Lodge at the United Nations) there will be a greater willingness in Washington to attempt to restrain tendentious and critical attacks on the United Nations;

(d) complex questions of international law are raised by the Jurists' Report. Responsible member states would not wish to express final opinions on these issues before they have received the considered advice of their qualified legal and political authorities at home;

(e) therefore, it would be unwise to precipitate a "full-dress" debate before Christmas. A further period of preparation would permit the development of more mature attitudes and might contribute to a more orderly, judicious and authoritative discussion later;

(f) while seeking to avoid a full debate at this stage it is recognized that some discussion is unavoidable before the Christmas adjournment. A number of delegations, including such delegations as Norway, the Netherlands, Egypt, Uruguay, and the United States have already made statements in private and in the Fifth Committee indicating their belief that the important issues involved must not be permitted to go by default. Behind these declarations are a variety of motives ranging from the contention by Senator Wiley that the Secretary-General should "clean house more quickly," to the statements of other delegations that there are aspects of the Jurists' Report which offend their "concepts of justice and sound personnel administration." In this connection, I was informed that the Swedish Minister of Justice was here last week and was very critical of many of the opinions of the Jurists;

(g) although these delegations contend that some discussion is necessary, they agree, that it would be unwise and premature to attempt to deal exhaustively with this question before Christmas. They would consider it desirable to have brief exploratory discussions at this session which would be limited to a reference to the fundamental importance of the whole question. For that reason delegations should have more time for careful preparation and consultation. In this way there would be a better guarantee that sound policies would ultimately be evolved.

10. In view of the likelihood of a debate, it was suggested that the Canadian delegation should be prepared to speak and to emphasize all or most of the following considerations:[80]

(a) It should underline the need for maintaining and bolstering the *international* character of the staff. While recognizing the legitimate claims of the "host country" and eliminating undesirable sources of friction the Secretary-General should, at the same time, safeguard the interests of the staff and the Organization.

(b) It should emphasize the common interests of all countries in strengthening and improving the United Nations as an instrument for *international* cooperation.

(c) While the Jurists' Report is helpful and timely it raises a number of questions which require careful consideration. Since it is only an advisory opinion it should be examined carefully before it is endorsed by the General Assembly.

(d) While the Secretary-General must continue to discharge his full responsibilities, precipitate action should be avoided which might in any way prejudice sound and acceptable long-term policies.

(e) Member states should take advantage of the Christmas recess to give careful consideration to all aspects of this question and return to the next session of the General Assembly ready to give thorough consideration to the whole question.

11. If this general approach is accepted we should take advantage of the recess to consult with other delegations. We should also consider whether a direct approach should be made (individually or in concert with other States) to Eisenhower and Brownell in Washington to develop procedures intended to meet legitimate American claims while avoiding further exacerbation of American public opinion.

12. In the event that delegations are not willing to adjourn discussion until the Spring session, we might contemplate support for establishment of a representative sub-committee which might meet in New York during January and February to explore the issues involved and prepare recommendations.

13. In view of the important political over-tones it would seem desirable to have top-ranking political representation in the Canadian chair in the Fifth

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[80] Chacun des sous-alinéas précédés d'une lettre porte en marge des annotations manuscrites de L.B. P[earson] :
Marginal notes beside each of the following lettered sub-paragraphs are in L.B. Pearson's handwriting:
yes.

Committee when this matter is under discussion. Mr. Martin has already been fully briefed and has signified a personal interest. However, if he finds that his other duties make it impossible to attend, perhaps the Permanent Canadian Representative could take the chair since he will be required to take any action that may be required while the Assembly is not in session.[81]

14. I understand that some or all of the above ideas have already been brought to your attention.

15. However, the working group felt that they should be summarized in order to enable you to indicate agreement or disagreement in detail with any or all of the above suggestions.

16. As yet there is no certainty as to the exact date on which this question may be dealt with in the Fifth Committee. However, there is a possibility that it may arise as early as tomorrow, December 13. If it does I believe that a number of delegations will be in much the same position as the Canadian Delegation and will request adjournment until early next week to permit their delegations to consider an appropriate course of action.

S. POLLOCK

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287. DEA/5475-H-40

Extrait de la note de la Direction des Nations unies

Extract from Memorandum by United Nations Division

CONFIDENTIAL [Ottawa], December 20, 1952

UNITED NATIONS SECRETARIAT STAFF DISMISSALS[82]

The panel of jurists appointed by the Secretary-General to advise him regarding staff matters submitted its report during the first week in December. In brief, the panel of jurists has advised the Secretary-General as follows:

(1) Refusal of an employee to answer questions on whether he is or has been engaged in espionage or other subversive activities in the United States is sufficient reason for the Secretary-General to terminate the employee's employment;

(2) Refusal of an employee to answer questions as to whether he is or has been at any time a member of the Communist Party or of some other subversive organization is sufficient reason for the Secretary-General to terminate his employment;

(3) If the Secretary-General is satisfied that he has reasonable ground for believing that a member of the staff is engaging or is likely to engage in

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[81] Note marginale :/Marginal note:
I agree. [L.B. Pearson]

[82] Notre exemplaire du document porte la note suivante : The following was written on this copy of the document:
N.B. This note was sent to USSEA [Under-Secretary of State for External Affairs] for information on his return from NATO [North Atlantic Treaty Organization] meeting. P.A. M[cDougall]

activities regarded as subversive by the host country, he should conclude that the officer concerned should no longer be employed in that country;

(4) That the advice given applies to all members of the Secretariat who are not citizens of the Soviet bloc countries.

The Secretary-General has intimated that he is now basing his personnel policy on the recommendations of the three jurists and his dismissal of several employees who had refused to answer questions put by the Senate Internal Security Sub-Committee seems to bear out this fact.

2. The Egyptian and Swedish delegates enquired in the Fifth Committee concerning possible discussion of the jurists' report at the present session. After consultation with the President of the Assembly and the Secretary-General, General Romulo, the Fifth Committee chairman, suggested that it would not be advisable to discuss the matter in the Committee at the present time. He pointed out that the findings of the Administrative Tribunal would have an important bearing on discussions, that the Secretary-General was planning to present a comprehensive report to member states in the near future and that, in any event, more time would be required to allow a careful examination of the implications of the report by the governments of member states. Several delegations expressed doubt regarding the validity of the jurists' findings but all delegations seemed to agree that discussion should be delayed, at least until the second part of the seventh session, in order to allow sufficient time to consider the contents of the report. Mr. Paul Martin, supporting this view, said also that the Canadian Delegation's position should not be construed to mean that it was prepared to accept the jurists' report. Until such time as the Assembly considered the matter more fully, the Secretary-General should be guided by the Charter and the staff regulations. The plenary session, at its meeting on December 18, approved a motion to include in the agenda of the *present* session of the General Assembly the item "Report of the Secretary on Personnel Policy."

3. In connection with the discussions in the Fifth Committee on this matter, I think it is interesting to note Mr. Lie's statement in which he pointed out that if any delegation had wanted to help or advise him in this difficult situation, there had been ample opportunity during the past few months. Mr. Lie also said that he was proposing to set up a panel of senior United Nations officials — a step which had been recommended by the jurists — to examine each case and that he had approached Mr. Pearson with a view to obtaining two independent jurists who could alternate as chairman of the panel. . .. Mr. Pearson has, however, discussed this matter by telephone with Mr. Ritchie and has indicated that action on this aspect of the problem should be delayed until his return to Ottawa.

SECTION C

SUBDIVISION IV/SUB-SECTION IV

AFRIQUE DU SUD : CONFLIT RACIAL
SOUTH AFRICA: RACE CONFLICT

288. PCO

Note du secrétaire d'État aux Affaires extérieures pour le Cabinet

Memorandum from Secretary of State for External Affairs to Cabinet

SECRET [Ottawa] October 8, 1952

POLICY GUIDANCE FOR THE CANADIAN DELEGATION TO THE UNITED NATIONS ON THE QUESTION OF RACE CONFLICT IN SOUTH AFRICA[83]

India has obtained the support of the other 12 Arab and Asian countries in the United Nations and the item which India alone was going to sponsor "Race Conflict in South Africa Resulting from the Policies of Apartheid of the Government of the Union of South Africa" is now on the U.N. supplementary provisional agenda under the sponsorship of all 13 Arab-Asian countries. It is believed that Ethiopia, Liberia, Thailand, some Latin-American countries and possibly the Soviet bloc will support the Arab-Asian item. If this is the case, there will be a majority of U.N. members voting for the inclusion of the question on the final agenda.

I attach an article on this subject which has been prepared for the guidance of the Canadian Delegation. It suggests the following course of action:

1. (a) The Canadian Delegation might let other delegations know in informal discussions that the inclusion of this item on the final agenda would cause us embarassment; but our Delegation should not otherwise oppose its inclusion on the agenda.

(b) Also in informal discussions, our Delegation might let other delegations know that, should the item be placed on the final agenda, we would hope to have it referred to the International Court of Justice for an advisory opinion on the law, i.e. the scope of essential domestic jurisdiction (Article 2 (7) of the Charter) and the facts of race conflict.

2. When the General Assembly votes on whether or not this item is to be included on its final agenda, the Canadian Delegation should abstain on the vote.

3. If the item is placed on the final agenda, it will cause bitter debates. Nothing would be gained by our Delegation taking part in them.

4. If a resolution is proposed referring the question to the International Court, our Delegation should support it.

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[83] Voir le document 252./See Document 252.

5. If a vote on an Indian or an Arab-Asian resolution expressing disapproval of South Africa's apartheid policy cannot be avoided, the Canadian Delegation should support such a resolution if it is put in reasonable terms. The main reasons for doing so are as follows:

(a) While Canada has consistently advocated a reference to the International Court on a somewhat similar item, the *Treatment of Indians in South Africa*, our reason for supporting a reference to the Court on the *Race Conflict* item is somewhat different. In the former case, there was uncertainty about the status of the so-called "international" agreements between India and South Africa; also, as Mr. St. Laurent said in his speech of November 25, 1946, we believed the dispute came within "an area of doubt". On the other hand, it is suggested that the item on *Race Conflict in South Africa*, is not wholly in "an area of doubt"; rather the apartheid policy which has caused race conflict comes very close to the category described by Mr. St. Laurent as "a flagrant violation of elementary human rights". Our principal reason therefore, for supporting a resolution to the International Court on the *Race Conflict* issue is to delay and possibly prevent bitter discussion on the merits of the question.

(b) Canada will give offense to some member of the Commonwealth whatever course it follows; a vote for the resolution will offend South Africa; a vote against the resolution will offend Pakistan and India. By abstaining, we are allowing the belief to grow among the coloured races that in any conflict between white and coloured peoples, the white nations will always stand together. If the merits of the question are discussed, South Africa may again boycott the U.N. meetings and may possibly withdraw from the United Nations; on the other hand, if all Commonwealth countries vote against or abstain on the resolution, India may interpret these votes as a preference for an all-white Commonwealth and may consider withdrawing from it.

(c) If there is to be a choice, it is suggested that even on purely strategic grounds the friendly neutrality of the coloured half of the world is more desirable and necessary than the support of two million white people in South Africa if a preponderance of force is to be created and preserved against the Soviet Union.

Therefore, if a vote on the substance of the question *Race Conflict in South Africa* cannot be avoided, I recommend that the policy outlined above be followed since I think it is the best for the circumstances. However, the wording of any resolution disapproving of South Africa's apartheid policy should be carefully examined by the Canadian Delegation before voting for it to make sure that it gives no unnecessary offense to South Africa.

L.B. PEARSON

289. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa?] November 13, 1952

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UNITED NATIONS; CANADIAN DELEGATION; POLICY RE APARTHEID RESOLUTIONS

6. *The Prime Minister* recalled that, when discussing the instructions to be given the Canadian delegation to the current General Assembly of the United Nations, Cabinet on October 9th had agreed that the delegation should abstain on any vote as to whether the question of race conflict in South Africa should be included on the official agenda; that it should support a resolution, if proposed, to refer the question to the international court; and that if a vote on an Indian or Arab-Asian resolution expressing disapproval of South Africa's apartheid policy could not be avoided, the delegation should support it if it were in reasonable terms.

The question had now arisen in New York as to the stand our delegation should take on a resolution recently introduced by the Indian delegate on the subject. This resolution was in very broad terms and called for the establishment of a United Nations Commission "to study and examine the international aspects and implications of the racial situation in the Union of South Africa in the light of the purposes and principles of the Charter and the resolutions of the United Nations on racial persecution and discrimination, and to report its findings to the Eighth Regular Session of the General Assembly."

Although the resolution was rather mild in tone it nonetheless implied condemnation of South African policy in this matter.

7. *The Minister of National Health and Welfare* said he understood the United States would support the Indian resolution and that the United Kingdom would not. Unfortunately, the general atmosphere prevalent at the United Nations did not lend itself to objective and impartial consideration of the South African problem. Delegates from Iron Curtain countries were taking full advantage of the situation in an attempt to create internal conflict amongst the western democracies. On balance, he was rather inclined to the view that the Canadian delegation should simply abstain on the Indian resolution.

He further reported that South Africa itself was sponsoring a resolution which questioned the competence of the United Nations to deal with apartheid. If this latter resolution were considered on its merits alone, he thought that the Canadian delegation might well vote against it. However, negative action by a majority of delegates on the South African resolution might have implications which would be highly embarrassing to France in respect of the Tunisian and Moroccan problem. It was a delicate question of judgment as to which course of action was the most desirable.

8. *Mr. St. Laurent* said that presumably the Canadian delegation could vote against the South African resolution but in that case it would no doubt be advisable to make a statement to the effect that Canada did not in any manner wish to prejudge the issue by its negative vote but simply to allow the United Nations an opportunity to determine whether or not the apartheid problem in South Africa was more than a domestic issue. On the other hand, it could be argued that it might be preferable to abstain from voting on the grounds that the resolution was too general.

It was extremely difficult at this distance to judge accurately all the circumstances surrounding this particular problem. He thought accordingly, that the Canadian delegation to the United Nations should be instructed again to use the Cabinet decision of October 9th as a general guide and that if it appeared desirable to take any action which departed from the general policy so outlined, the matter should be referred to Ottawa for consideration and decision.

9. *The Cabinet*, after discussion, noted the reports by the Prime Minister and the Minister of National Health and Welfare on various United Nations resolutions respecting the race conflict in South Africa and agreed that the Canadian delegation should be guided by the general policy set out in the Cabinet decision of October 9th; it being understood that, if it was felt desirable in any instance to take action which departed from that general policy, the matter should be referred to Ottawa for consideration and decision.

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290. DEA/5475-DW-19-40

Note de la délégation permanente auprès des Nations unies[84]
pour le secrétaire d'État aux Affaires extérieures

Memorandum from Permanent Delegation to the United Nations[84]
to Secretary of State for External Affairs

[Ottawa,] November 27, 1952

AD HOC COMMITTEE — RACE CONFLICT IN SOUTH AFRICA (ITEM 66)

This item presented the Canadian Delegation with some very difficult decisions, both legal and political.

2. The South African defence was based entirely on the incompetence of the General Assembly, under Article 2(7) of the Charter, to intervene in its *apartheid* policies which it maintained were essentially within its domestic jurisdiction. The South African case was very skillfully handled by Mr. Jooste who argued that, as there was no question of a threat to the peace or of applying enforcement measures, Article 2(7) could only be interpreted as meaning that the Assembly was not competent to consider the question in any way whatsoever. He submitted a resolution to this effect as soon as the

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[84] J. George.

Assembly had decided, despite his arguments, to inscribe the question on its agenda.

3. Those who believed that the Assembly was competent to consider the matter based their case on Articles 55 and 56, under which members pledged themselves to cooperate for the achievement of universal respect for, and observance of, human rights and fundamental freedoms without distinction as to race. They also cited Article 13 which says in part that the General Assembly shall initiate studies for the purpose of assisting in the realization of human rights and fundamental freedoms for all without distinction as to race.

4. Without taking a dogmatic position either way on the question of competence, the Canadian Delegation drew a distinction between the General Assembly's right to *discuss* the question and its right to *intervene*. Although we had abstained on the vote to inscribe the issue on the Assembly's agenda because of our doubts as to competence, we said that we did not think that, having put the item on the agenda, the Assembly could then decide that it was incompetent to discuss it.

5. The South African Delegation made no attempts to discuss the substance of the case, even in reply to the criticisms of their policies by a large number of delegations, including the 18 who had sponsored a resolution establishing a commission to study the racial situation in South Africa and to report its conclusions to the next session of the Assembly. The sponsors of this resolution spoke for over 600 million people in Africa, the Middle East, Asia and Latin America. Even those who, like the Canadian Delegation, were unwilling to support the resolution, expressed their concern and their fear that policies of racial discrimination, wherever applied, were potentially dangerous, and in the long run were not effective. Sponsors of the resolution went much further. One even appealed to the General Assembly to forestall a situation on the African Continent which he believed could lead to the revolt of 150 million blacks against 4 million whites, and which might touch off a world war between the whites and non-whites.

6. The Scandinivian countries submitted, as an alternative to the 18-power resolution, a resolution with the same preamble but with a much milder operative part which did not single out South Africa but solemnly called upon all members to bring their policies into conformity with their obligations under the Charter to promote the observance of human rights and fundamental freedoms.

7. The Canadian Delegation adopted a middle course, abstaining on the inscription of the item on the agenda, voting against the South African resolution on competence, abstaining on the 18-power resolution and voting in favour of the Scandinavian resolution. On these votes the United Kingdom, Australia and New Zealand were slightly more on the South African side, while the United States was somewhat less.

8. The result of the principal votes which took place on November 20 was as follows:

(a) On the South African competence resolution: 6 in favour, 45 against (including Canada) and 8 abstentions;

(b) On the 18-power resolution: 35 in favour, 2 against and 22 abstentions;

(c) On the Scandinavian resolution: 20 in favour (including Canada), 7 against and 32 abstentions.

9. Considering the strong feelings of a great many people on the subject of racial discrimination, the debate on this subject was relatively restrained and responsible. The Indians had at first sought a condemnation of South Africa but modified their resolution to establish a Study Commission. The fact that the Study Commission will have no chance whatever of entering South Africa and that its establishment may set a precedent for intervening in other matters on which the competence of the General Assembly is doubtful caused the Canadian Delegation to abstain.

10. The colonial powers, however, and especially the United Kingdom and France, fought more strongly against the competence of the Assembly to discuss such matters as racial discrimination than they fought in favour of the South African Government's policies. For the United Kingdom and France, and to a lesser extent for Australia, it was not so much a question of whether to side with South Africa, or with India and Pakistan, on the question of racial discrimination, as it was of avoiding precedents which might lead the General Assembly of the United Nations further into the affairs of non-self-governing and dependent territories — a development which at every turn is being bitterly opposed by the administering powers. Nevertheless, an important consequence of the debate was that public opinion in India and Pakistan formed the impression that the "white" members of the Commonwealth were sticking together on a racial issue, despite the obvious fact of serious discrimination which the South African Delegation made no attempt to deny.

SECTION C

SUBDIVISION V/SUB-SECTION V

AFRIQUE DU SUD-OUEST/SOUTH WEST AFRICA

291. DEA/5431-40

Note du sous-secrétaire d'État aux Affaires extérieures pour le secrétaire d'État aux Affaires extérieures

Memorandum from Under-Secretary of State for External Affairs to Secretary of State for External Affairs

[Ottawa] September 9, 1952

SOUTH WEST AFRICA

A settlement of this question is no closer now than it was last January. If anything, the situation is worse, because South Africa has not appointed a representative to confer with the Ad Hoc Committee on South West Africa, even though it was invited to do so last March.

You will recall that the more important of the two resolutions on South West Africa which were approved by the General Assembly in January, solemnly appealed to South Africa to reconsider its position and resume negotiations with the Ad Hoc Committee. The resolution urged South Africa to report on its administration of the territory and transmit petitions from the South West African people to the United Nations. It also regretted that the Union of South Africa, while prepared to negotiate on the basis of certain articles of the mandate, was unwilling to carry out its international obligations with regard to the supervisory role of the United Nations. This resolution was carried by a vote of 45 in favour (including Canada), 5 against (the Soviet bloc), with 8 abstentions (including Australia, Belgium, Guatemala, Iceland, Luxembourg, New Zealand, Turkey and the United Kingdom).

One important aspect of the debate was the Trusteeship Committee's decision to grant hearings to representatives of the Hereros and, when the South African Government prevented them from coming to Paris, to the Reverend Michael Scott who appeared on their behalf. South Africa insisted that the decision to grant these hearings was illegal. Canada abstained from voting on this issue in the Trusteeship Committee because we were undecided about the legality of the resolution. We thought too that it was impolitic for Canada, at such an early stage of the Committee's proceedings, to appear to stand firmly in the camp of the administering authorities. We also believed that the Committee was morally justified in seeking fuller information on local conditions because South Africa had shown unwillingness to submit petitions from the native peoples. Later, our Legal Division's opinion was that the Trusteeship Committee did not exceed its authority in passing this resolution to give a hearing to the Hereros.

In March, 1952, the reconstituted Ad Hoc Committee invited South Africa to appoint a representative to confer with it. South Africa informed the Committee that "its considered reply would be communicated in due course". Later, the South Africans told the Secretary of the Committee that they were studying their reply but, because of a heavy parliamentary programme, cabinet ministers had been preoccupied with other business. Up to the present time, South Africa has sent no considered reply and has appointed no one to confer with the Committee. It seems likely that it will not reply to the Committee's invitation before the General Assembly meets again.

A while ago, we learned confidentially that the United Kingdom has instructed its High Commissioner in South Africa to approach the Government there, pointing out that it was becoming difficult for South Africa's friends in the Commonwealth to support her at the United Nations, and it would be even more difficult for them to do so if some real progress were not made soon on the South West Africa question. Canada, of course, has already offended South African because we were the only white member of the Commonwealth voting for the "regretting" resolution. The United States offended South Africa too by supporting the same resolution. Before this happened, South Africa had been able to say that it had the support of "responsible and respectable" powers and was opposed only by "irresponsible and coloured" states.

The Secretary of the Ad Hoc Committee told a member of our Delegation in New York that, if the Committee had to submit a negative report, South Africa would be in for a very rough ride at the next General Assembly. A resolution much stronger than the "regretting" one might be introduced; it might "deplore" or even "condemn" South Africa's attitude. It is possible too that a resolution might be introduced, suggesting that a United Nations representative or commission be sent to South West Africa. The Reverend Michael Scott suggested this last year when he spoke to the Trusteeship Committee.

Canada has been disturbed about South Africa's intransigent attitude on this question and on the *Treatment of Indians* question. Unfortunately, the present South African Government has no respect either for its own constitution or for the United Nations Charter; neither does it consider the International Court's opinion on South West Africa an expression of international law. It is thought that the Canadian delegation will again vote against South Africa, unless it agrees to accept the minimal obligations which the International Court found still to exist with regard to South West Africa.

L.D. W[ILGRESS]

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292. DEA/5431-40

Note de la Direction du Commonwealth
pour le sous-secrétaire d'État aux Affaires extérieures

Memorandum from Commonwealth Division
to Under-Secretary of State for External Affairs

CONFIDENTIAL [Ottawa,] December 22, 1952

THE QUESTION OF SOUTH WEST AFRICA: DISPOSITION IN FOURTH COMMITTEE SEVENTH SESSION, UNITED NATIONS GENERAL ASSEMBLY

In January, 1952, the General Assembly set up an Ad Hoc Committee on South West Africa and instructed it to confer with the Government of the Union of South Africa on means of implementing the advisory opinion of the International Court of Justice on the status of South West Africa. On November 21, 1952, the Committee reported to the Assembly its failure to reach agreement with the Union Government on the role which the United Nations should play in supervising the administration of the former mandated territory. While agreement was reached on a number of points, two fundamental points of divergence remain unresolved:

(1) The Committee maintains that the United Nations should exercise some form of supervision over the administration of the territory. The Union Government, however, is prepared to accept only a limited form of accountability to the International Court;

(2) The Committee considers that the Union Government should conclude a new instrument with the United Nations to replace the former mandate. South Africa, on the other hand, is unwilling to negotiate such an instrument with the United Nations and proposes that it be concluded with the remaining three Principal Allied and Associated Powers, namely the United Kingdom, France and the United States.

Before the question of South West Africa came before the Fourth Committee on December 15, our delegation in New York informed us that India had drafted a resolution for which it was seeking co-sponsors among the Arab-Asian states. This resolution would have been firmer in tone than last year's resolution No. 570 A(VI) of January 19, 1952, essentially because it substituted the word "deplores" in place of the word "regrets" used in last year's resolution.

However, this Indian resolution was never submitted. Instead, the Fourth Committee discussed the item on the basis of a resolution sponsored by Brazil, El Salvador and the United States which states that the "General Assembly decides to postpone consideration of the question of South West Africa until the 8th regular session of the General Assembly and requests the Ad Hoc Committee on South West Africa, established by General Assembly resolution 570(VI) to continue on the same basis as stated in that resolution and further requests the Committee to report to the 8th regular session of the General Assembly." This resolution was passed on December 16, 1952, by a vote of 27 in favour (including Canada and South Africa), 8 against, with 5 abstentions. Some 20 delegations were absent when the vote was taken.

I attach copies of telegrams 545 of December 15[†] and 552 of December 17[†] which give the substance of the resolution and the voting in the Fourth Committee. No vote has yet been taken in plenary.[85]

C.A. RONNING

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[85] La résolution a été approuvée par l'Assemblée générale le 20 décembre 1952, par un vote de 45 pour (y compris le Canada), 2 contre et 8 abstentions.
The resolution was passed by the General Assembly on December 20, 1952, by a vote of 45 in favour (including Canada), 2 against, with 8 abstentions.

SECTION C

SUBDIVISION VI/SUB-SECTION VI

TUNISIE ET MAROC
TUNISIA AND MOROCCO

293. PCO

Note du secrétaire d'État aux Affaires extérieures pour le Cabinet

Memorandum from Secretary of State for External Affairs to Cabinet

SECRET [Ottawa,] October 8, 1952

TUNISIAN AND MOROCCAN QUESTIONS AT THE 7TH SESSION OF THE GENERAL ASSEMBLY OF THE UNITED NATIONS[86]

The request of thirteen Middle Eastern and Asian states to have the Tunisian and Moroccan questions brought before the forthcoming session of the General Assembly raises a number of delicate issues, involving both our political relations with France and the Arab world and the apparent conflict between the strategic interests of the Western world and the aspirations towards self-government of two Arab peoples in which most of the non-white world is showing an active concern. The strong measures adopted by the French to restore law and order in Tunisia in the early part of this year, combined with the failure, in April, of the Arab-Asian bloc to have the Tunisian problem inscribed on the agenda of the Security Council, and the rejection of their request for a special session of the General Assembly in June and July have undoubtedly served to fan anti-French and anti-Western sentiment in the Middle East and Asia, which the U.S.S.R. will try to exploit. On the other hand, feeling in France as a whole and particularly in the French National Assembly is also running high on this question. An attempt by the United Nations to intervene or even criticism considered unwarranted on the part of France's allies might well have serious implications either for Europe (if the French Assembly should thereby be led to refuse to ratify the E.D.C.) or for South-East Asia (if National Assembly pressure should lead the French Government to withdraw from Indochina to protect its more important North African interests). Domestic political pressures in France might also lead to a French walk-out from one of the committees of the United Nations, or even a withdrawal from the General Assembly when the North African issues are being discussed. In addition, there are involved the complex questions of the length to which the United Nations can or should go in dealing with problems which may be argued to lie within the field of domestic jurisdiction, and of the long-run effect on orderly progress in non-self-governing territories of discussion of their political affairs by United Nations bodies.

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[86] Voir aussi le document 252./See also Document 252.

2. A balancing of the foregoing considerations suggests that Canadian policy should endeavour to go some way to satisfy the Arab and Asian nations that their interest in the struggle of colonial peoples is not being ignored while at the same time preventing any action which might produce a crisis in France or seriously prejudice the possibility of continued and constructive negotiations in Tunisia and Morocco. More specifically it is suggested in the attached instructions† for the guidance of our delegation on the subject of Tunisia that the Canadian Representative should vote in favour of including this item on the Assembly's agenda, unless special circumstances would appear to require an abstention (paras. 7 and 8). While striving to avoid a hypothetical vote on the question of competence, it is proposed in general that the delegation either abstain or vote in favour of competence, (depending largely on tactical considerations), should this issue be raised in respect of specific resolutions (paras. 11-13). As to the Canadian attitude on the substantive issue, it is suggested that we might support a mild type of resolution which would note the progress which Tunisia has made under French protection and express the hope that further constitutional reforms will be worked out by peaceful co-operation between the two parties (paras. 18-21).

3. In view of the similarities of the issues involved in Tunisia and Morocco, it is proposed that our delegation adopt a similar and consistent attitude in handling the Moroccan question.

4. It is recommended that Cabinet approve the attached instructions for the Canadian Delegation as regards Tunisia and approve a similar and consistent attitude in the handling of the Moroccan question.

L.B. PEARSON

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294. DEA/11033-40

Note de la Direction européenne
pour le sous-secrétaire d'État aux Affaires extérieures

Memorandum from European Division
to Under-Secretary of State for External Affairs

SECRET [Ottawa,] December 20, 1952

TUNISIA AND MOROCCO AT THE U.N. GENERAL ASSEMBLY

(a) *Tunisia*

The Political Committee of the General Assembly concluded its debate on the Tunisian question on December 12 with the adoption of the Brazilian resolution by 45 to 3 (Belgium, Luxembourg and South Africa), with 10 abstentions (including the United Kingdom and the Soviet bloc). The Brazilian resolution expressed confidence that France would develop the free institutions of the Tunisian people, expressed the hope that the parties would continue negotiations on an urgent basis with a view to bringing about self-government for Tunisians, and appealed for restraint in the conduct of Franco-Tunisian relations. Canada was among the 31 states which voted to reject an Indian amendment to delete the paragraph expressing confidence in France.

2. The adoption of the Brazilian resolution was preceded by the defeat of the Arab-Asian resolution by 24 in favour, 27 against (including Canada) and 7 abstentions. This resolution maintained that the situation in Tunisia endangered international peace and security, and called for the creation of a 3-member Good Offices Committee, as well as for the inclusion of Tunisia on the agenda of the next Assembly.

3. The French did not participate in the debate, while the colonial powers, as was expected, all advanced arguments denying the competence of the U.N. The Arab-Asian nations expressed their views, for the most part, with reasonable moderation. Mr. Martin's speech stressed the fact that Canada accepted the Assembly's competence to discuss a question once it had been included on the agenda, but that the line between discussion and intervention was often hard to draw. He said that the Brazilian resolution, as it did not attempt to accuse or to condemn, provided the type of conciliatory approach with which the problem of Tunisia should be treated.

4. The Brazilian resolution was approved in plenary by 44 to 3 with 8 abstentions, after a threat by the United States to oppose the whole resolution had dissuaded the Arab Asians from making another attempt to delete the clause expressing confidence in France. Another point worth noting about the debate was the defeat of a Pakistan motion to hear a representative of the Bey, by 24 in favour to 26 against (including Canada, the other NATO countries, and about half of the Latin American countries).

5. A joint letter to Mr. Pearson has been received from the Trades and Labour Congress of Canada and the Canadian Congress of Labour, couched in moderate terms and asking us to give our support to the creation of a Good Offices Committee for Tunisia. Our reply expressed doubt as to whether such a body would justify the hopes placed in it, and stressed our belief in the necessity of direct negotiations between the two parties.

(b) *Morocco*

6. The Political Committee's debate on Morocco ended on December 17 with the passing of a Brazilian resolution practically identical with that on Tunisia; the vote was 40 in favour (including Canada), 5 against (including the United States), and 11 abstentions (including the United Kingdom and the Soviet bloc).

7. As originally introduced, the Brazilian resolution differed chiefly from the equivalent resolution on Tunisia in that "negotiations . . . with a view to bringing about self-government for Tunisians" was replaced by "negotiations . . . towards developing the free political institutions of the people of Morocco." Pakistan introduced an amendment to restore the stronger phraseology used in the Tunisian resolution, but the United States expressed opposition to the amendment on the grounds that the Moroccan situation differed materially from that in Tunisia. Our delegation felt that these United States tactics were not altogether happy, as the Pakistani amendment was not unreasonable and the Arab-Asian bloc had not been intransigent. Accordingly, Canada abstained in the vote on the Pakistan amendment, which was carried by 28 (Arab-Asians,

Soviet bloc and some Latin-American states) to 23 (the 11 Latin-American sponsors of the resolution, the colonial powers, and the United States) with 4 abstentions (Canada, Denmark, Norway, and Turkey). It was the passing of this amendment which led the United States to vote against the Brazilian resolution as a whole.

8. The Arab-Asians had previously submitted their own resolution on Morocco. This resolution was a somewhat vague document which pointed to the recent judgement of the International Court recognizing "the sovereignty and independence of His Majesty the Sultan;" stated that the Moroccan situation "adversely affects . . . peaceful conditions in the world;" and urged Franco-Moroccan negotiations to reach "an early peaceful settlement in accord with the sovereignty of Morocco, the aspirations of her people and the Charter of the United Nations." It was not made clear what these aspirations were. The operative paragraphs of the resolution were rejected in a series of votes of about 20 in favour, 25 against (including Canada), and 10 abstentions and no vote was taken on the resolution as a whole.

9. The debate on Morocco was shorter than that on Tunisia and little of significance was said. It is worth noting that the Arab-Asians originally wished to co-sponsor the Brazilian resolution, although Brazil did not respond to their overture for political reasons. The Arab-Asians' own resolution was put forward later.

10. I attach copies of some of the relevant telegrams,[†] and also of the correspondence with the two labour organizations.[†]

R.E. C[OLLINS]

SECTION D

APPRÉCIATION/ASSESSMENT

295. DEA/5475-DW-19-40

Le représentant permanent auprès des Nations unies
au secrétaire d'État aux Affaires extérieures

Permanent Representative to the United Nations
to Secretary of State for External Affairs

SECRET New York, December 31, 1952

SEVENTH SESSION GENERAL ASSEMBLY — CHRISTMAS REPORT

The Assembly adjourned at 4:45 a.m. on Monday, December 22, to reconvene on February 24 or earlier at the call of the President. Ten items remain on the Assembly's agenda for February, to be dealt with in the First Committee or in Plenary. The other Committees will not be reconstituted. I should think that we therefore have at least another six weeks' work ahead of us, and probably more if the new United States Administration decides to press for further measures in Korea.

2. As Mr. Pearson, Mr. Martin and the Ottawa members of the Assembly Delegation returned home before there was time to prepare an assessment of

the work of the Assembly, the best I can do is to send you our tentative report and leave it to those who have returned to Ottawa to supplement or correct our impressions.

Was the Assembly Worthwhile?

3. There is no doubt that many members of delegations with whom we have close ties are returning home not only weary but wondering whether anything has been achieved at this session to compensate for the intense efforts devoted to interminable debates and for the serious disturbances in North and South Africa and other dependent areas which coincided with the Assembly's discussion of their problems. This view is not confined to the United Kingdom, French and South African Delegations. For example Walter Lippmann said a few days ago that "things have gone so badly during this session that there are many, once ardent supporters, who are asking whether the Organization can survive. There are even some who are asking whether it ought to survive."

4. I do not think any member of the Canadian Delegation would judge this Assembly so harshly. In fact I would have said that this has been one of the most important, interesting, and relatively productive Assemblies. In so far as the work of the Canadian Delegation was concerned, this Assembly has been one of the toughest. Not only did this Assembly, unlike its predecessor, have the big political problems before it, but the election of the head of our Delegation to the Presidency and the very active role which the President personally played, added considerably to the significance and effectiveness of our work. This was most clearly shown in the Korean discussions, particularly those behind the scenes. There were exceptions, but all in all, both the Korean and the colonial questions, including North and South Africa, were discussed more responsibly and with less propaganda than anyone could have expected before the Assembly met. At the same time, even some non-colonial delegations could not help wondering whether, by admitting such issues as Tunisia and Morocco to the Assembly's agenda, we have not opened a Pandora's box which will plague not only the French but other Western delegations in years to come. These doubts are genuine but the question is probably academic. For Tunisia and Morocco could hardly have been kept off the Assembly's agenda this year. In these circumstances the Assembly's moderation this year was a sign that it may rise to its responsibilities, surviving, on the one hand, the excesses of some of the smaller powers, and on the other the negative attitude of some of the larger powers.

Pre-Assembly Talks

5. For the first time in several years, there were no formal pre-Assembly talks held between the United Kingdom, United States, French and Canadian Delegations. The State Department sent officials to New York, Paris and London for bilateral talks, while French and United Kingdom officials held separate discussions with the Americans in Washington. The United Kingdom Government made a special effort to make its point of view on colonial questions thoroughly understood, sending senior officials for pre-Assembly talks in Ottawa and Washington. Canadian preparations were, therefore,

largely based on bilateral talks in Washington and New York and, to a lesser extent, in London and Paris. So far as we can tell, this pattern is likely to continue in future years unless one of the Big Three has some major theme to present to the Assembly.

Themes

6. At the two previous Assemblies the United States Government decided to develop themes on which it was prepared to take the offensive. In 1950, the Uniting for Peace resolution was the theme; last year it was the tripartite disarmament proposal. This year, by contrast, no theme has been developed, although the United Kingdom Government intend to concentrate on the Soviet "Hate Campaign" when the bacteriological warfare item is discussed after we reconvene in February.

Korea

7. The Korean debate was, by all odds, the most important as well as the most lengthy. Within the scope of this summary I shall not attempt any general appreciation, the more so in view of the role played in the negotiations by the President of the Assembly and Mr. Martin. They together with Mr. Selwyn Lloyd of the United Kingdom Delegation gave the Indian Representative, Mr. Krishna Menon, every encouragement in his effort to draft a resolution on the one outstanding issue of prisoners-of-war which would provide an acceptable basis for an armistice in the opinion of the entire free world. In the protracted private negotiations which preceded the formal action of the Indian Delegation, the steadying and conciliatory role which the leaders of the Canadian and United Kingdom delegations played between the Indian and United States delegations was of great importance, although Soviet rejection of the resolution a week before the vote, combined with the amendments accepted by India, made it easier for the United States Government to accept the resolution in the end.

8. At first, the United States had opposed the Indian resolution and had seemed strangely blind to the advantages of having India take the lead in a matter of this kind. Wishing the vindication of an Assembly resolution endorsing *all* negotiations and actions of the Unified Command, the United States failed to realize the greater value to be gained from focussing the debate solely on the prisoner-of-war issue and on the principle of non-forcible repatriation which the Arab-Asian group were willing to accept. Had they persisted in bringing their original 21-power resolution to a vote, the Arab-Asian group would not have voted for the general endorsment the United States Government wanted. Indeed, the terms of this resolution had already been rejected by the Communist Command at Panmunjom.

9. The Assembly was bound to try something at least a little different. The Indian plan seemed to offer a method for getting prisoners of war on the move and eventually reducing the problem in size, even if it did not necessarily provide a complete solution for the problem presented by those prisoners of war who would continue to resist repatriation.

10. When the Indian plan was first put forward, a large number of delegations believed there were grounds for hoping that it might prove acceptable to the Chinese and North Korean authorities. The United States Delegation never shared this hope. When the plan was so bitterly attacked by the Soviet Union, hopes diminished almost to the vanishing point. However, a number of responsible delegations, including those of the United Kingdom, Canada and France, found it difficult to believe that the Indian Government would have taken the initiative if it had not had some indication from its contacts in Peking that a scheme along the lines of that which was put forward might be acceptable to the Chinese Communists. It may be that the revisions which it was necessary to make in the original Indian resolution in order to gain the support of the United States doomed the final resolution in the eyes of the other side. No one could argue that these revisions were not in the interest of clarity, especially with respect to the principle of non-forcible repatriation, but it may be that any compromise scheme which will lead to solution of the prisoner of war problem may have to be kept deliberately vague.

11. In the event, the proposal did not lead to an armistice. But the sincerity of the attempt left no one at the Assembly in any doubt whatever as to where the responsibility for the continuation of the fighting lay. The Chinese were offered a formula which could have saved their face if they had wanted an honourable settlement. The early rejection of the Soviet Government may possibly have been prompted by their fear that the Chinese were considering the offer too seriously. At any rate, the Indian resolution which united the free world against the Soviet bloc on December 3 — 54 votes to 5 with only China abstaining — was the major achievement of this session, and Canada had a large part in it. Had it succeeded, we would have had peace. It was an attempt that had to be made. Even in failure, it was an impressive propaganda success. The Assembly has seen no greater demonstration of the solidarity of the free world.

12. That the Soviet Government itself recognized their defeat and smarted under it is, I think, sufficiently proved by their last minute propaganda manoeuvre of introducing a resolution accusing the United States of the "mass murder" of Korean prisoners of war at Pongam. Though they did not manage to gain a single favourable vote for their resolution from outside their own bloc, they did manage to obtain ten Arab-Asian abstentions including India and Pakistan. This vote no doubt will take some of the sting out of the defeat suffered by the Soviet bloc on the vote on the Indian resolution.

13. It is difficult not to express disappointment that India and Pakistan saw fit to abstain on the Soviet resolution, no doubt because they felt that they did not have all the facts in the case and might have suspected the United States of using more force than was strictly necessary. On the other hand, the Soviet resolution using terms such as "mass murder" was expressed in such extreme language as to demand a negative vote by fair minded delegations. Jamali of Iraq recognized this and voted against the resolution. Pakistan at that time represented by a junior official apparently followed the lead of India. The decision was Menon's, taken we understand, against the advice of Madame

Pandit, the leader of his delegation. Perhaps, having gone rather further towards the Western position than he had intended in his Korean resolution, Menon was trying to reassert India's neutrality. Gromyko had called him a "rubber stamp of American policy in Korea", and western spokesmen had perhaps crowed too loudly about "lining up" India on the western side of the fence. Menon, apparently, was determined to get back on the fence.

14. The Chinese rejected the President's appeal and the Assembly's resolution on December 14 and the North Koreans followed suit a week later. Both used terms which Soviet spokesmen had already made familiar. Both called the Assembly's resolution "illegal" and insisted that the Soviet resolution had provided the only path to peace. In other words, they wanted to call a halt in the fighting before, rather than after, explicit agreement had been reached on the repatriation of prisoners of war, leaving it to a Commission of five to carry through the repatriation of all prisoners in accordance with the Communist interpretation of the Geneva Convention, even if this meant repatriation of prisoners by force.

15. When the Assembly reconvenes, we shall presumably know what plans the new United States Administration has for resuming negotiations or stepping up the fighting. One of the most important by-products of the Indian resolution was that it made it possible to avoid any "second stage" proposals which the "lame duck" United States Delegation might otherwise have submitted in an effort to get more help from its Allies. The Soviet and Chinese Governments will also, one must suppose, be more interested in what the new Eisenhower Administration has to say than in an Asian "neutral's" proposals carrying the reluctant consent of a dying Administration.

Tunisia, Morocco, South Africa and the Competence Issue

16. In contrast to the Korean discussions in which Canada, the United Kingdom and India had worked very closely together our Delegation found that when we came to the colonial questions we were almost invariably divided from the other "old" Commonwealth members and from many NATO countries, notably France. Canada tended, on colonial issues, to side with the United States and was even, as for example in the case of Morocco, occasionally "ahead" of the United States. The example of Morocco just given, in which Canada voted in Committee for a mild resolution which the United States opposed, may be attributable to the more direct responsibility of the United States for such questions as the French Government's ratification of the European Defence Community Treaty on which Canada's vote could have little, if any, effect, and perhaps also to United States defence interests in Morocco.

17. The "liberal" stand taken by the Canadian and United States Delegations on most of these questions was not only, I think, justified on legal grounds but also for general political reasons such as our desire to "bridge the gap" with the more moderate Arab-Asian and Latin delegations. It was also a fair reflection of the currents of public opinion on these questions in both Canada and the United States. By contrast, the United Kingdom, South African and

French Governments had necessarily to bear in mind their own colonial responsibilities and the repercussions, even of Assembly discussion, on the territories and peoples for which they are responsible.

18. Although colonial questions as such came before the Fourth Committee, I should like first to discuss the politically more important questions relating to North Africa (Tunisia and Morocco) and South Africa which came before the two Political Committees. They were fundamentally the expression of Arab and Asian nationalism, trying, through the United Nations, to promote the independence of Arabs in North Africa and the rights of coloured men in South Africa. The Assembly was in effect being asked to consider whether two European minorities of under two million people each should be allowed to continue to direct the affairs of very large Arab and African populations by means of various kinds of discrimination contrary to the Charter of the United Nations.

19. The debates on Tunisia, Morocco and South Africa were largely concerned with the question of competence. Had the Assembly the right to discuss, consider or make recommendations about these problems? France and South Africa took an extreme position and denied the right of the Assembly even to discuss these questions. After making its position clear in the general debate in Plenary France absented itself while Tunisia and Morocco were under discussion in the Political Committee. Though holding the same legal view South Africa adopted different tactics. Unlike France, South Africa argued its legal case ably and forcibly when South African questions were under discussion in Plenary and in the Ad Hoc Committee, but would not discuss the merits of its case. The legal view taken by France and South Africa on the competence issue had the full support of the United Kingdom, Australia, Belgium and a number of the other colonial powers, although most of these countries regretted France's decision to absent itself from the Committee.

20. The Canadian Delegation, along with a number of other delegations including the U.S. Delegation and the Scandinavian delegations, made it clear that they considered that the General Assembly had authority to discuss these questions and even to make recommendations about them. These delegations also made it equally clear that they would closely examine any recommendation emerging from the discussions to make sure that it did not in their view constitute intervention in the internal affairs of the countries concerned.

21. Acting on these principles the Canadian Delegation voted in favour of moderate General Assembly resolutions on Tunisia and Morocco which had been put forward by Brazil and a group of Latin-American delegations encouraged by the United States. We voted against stronger resolutions sponsored by a group of Arab-Asian countries. The moderate resolutions on Tunisia and Morocco, were eventually approved by the necessary two-thirds in Plenary Session. The resolutions of the Arab-Asian group were defeated. Hence in spite of the uncompromising stand taken by France the resolutions eventually passed by the General Assembly on Tunisia and Morocco were such as not even France could take very strong objection to.

22. As regards the South African racial discrimination item, the Canadian Delegation voted in favour of a moderate resolution sponsored by the Scandinavian powers, recalling the objectives of the United Nations and the obligations of all members in regard to human rights without singling out South Africa. We abstained on the resolution setting up a Commission to study racial discrimination in South Africa. Our abstention on this latter resolution in Plenary was keenly resented by South Africa, because a number of delegations including the Scandinavian countries (but not including Canada or the United States) changed their votes from an abstention in Committee to a vote against in Plenary. On the item dealing with Indians in South Africa the Canadian Delegation abstained on the resolution setting up a Good Offices Commission to assist in bringing about negotiations between the governments concerned.

23. As a result of the moderate attitude taken by a number of delegations including the Scandinavian group, most of the Latin-American group, the United States and Canada, the debates on Tunisia, Morocco and South Africa, which had been feared by many delegations including Canada passed off much better than had been expected.

Trusteeship and Colonial Questions

24. In the Fourth Committee, despite many criticisms of the slowness of the administering powers in preparing their dependent territories for self-government and some assertions that colonialism is an evil which must be wiped out, there has been greater readiness than we had expected on the part of the more responsible Arab and Asian and Latin Delegations to recognize that the administering powers have a positive and necessary role to play.

25. Up to a point, the extremists set the pace by presenting resolutions, usually of a challenging nature, on most of the main items. Very few such resolutions, however, were adopted unchanged if their original form was really extreme. In order to rally adequate support, it was necessary at least to give the impression that an attempt was being made to keep the proposals moderate and reasonable and to avoid gratuitous offence to the administering powers. This was an indication that the bulk of the Committee wanted to act in a responsible fashion and to work with the colonial powers.

26. Against this is the fact that even in this modified form the resolutions which were able to rally a majority were still in many cases unacceptable not only to the administering powers but to other western states and were occasionally rash and irresponsible in many of their provisions. Some examples are the resolution on factors determining self-government with its dogmatic declaratory clauses, the resolution calling on the Tanganyika Government to return the land taken from the Wa-Meru tribe and the resolution on the Togolands requesting France and the United Kingdom to consider revising their trusteeship agreements. A more co-operative attitude was, however, shown in Plenary where the resolution on the Wa-Meru tribe failed to obtain the necessary two-thirds majority and the resolution on the Togolands problem was so amended as to make it acceptable to the administering powers.

27. The administering powers for their part have not been too skillful in handling the situation. Admittedly it is a difficult one to deal with when there is a real degree of unreasonableness and lack of restraint on the other side; and the habit of resistance to unwarranted demands and unfounded criticisms, coupled with the feeling of being in a small minority chronically exposed to irresponsible attacks, has produced a defensive psychology that results in a somewhat negative attitude. If the administering powers were prepared to assert a more positive policy of trying to work with the United Nations, coupled with an exploitation of their past achievements and their present progressive policies, and were ready to try out some of the resolutions which though undesirable are not actually inapplicable, they might gradually win a response from countries which at the moment are not actually hostile but are not convinced that the colonial powers are really interested in promoting self-government, especially of the colonial as distinct from the trust territories. The more forthcoming approach that Hopkinson adopted for the United Kingdom at the beginning of the session made a better impression than Sir Alan Burns' less conciliatory tone.

28. Although the United Kingdom representatives probably feel that their country has been under constant sniping, it was in fact far less of a target than either Belgium or France. Belgian administration in the Congo came in for a good deal of criticism, and their representative Mr. Ryckmans — an experienced and very able man — more or less established himself as the prototype of the old colonial outlook, however paternal and benevolent that outlook may have been. The French in addition to direct attacks had to suffer from adverse comparisons between their trust territories and the adjacent British ones; and M. Pignon did not handle things well.

29. By the latter part of the session a middle group of moderates had begun to emerge among the smaller powers. This included Israel, Thailand, Colombia, the Dominican Republic, the Scandinavian countries and New Zealand. The Netherlands and of course the United States also could usually be counted among the moderates during the debates on the Trusteeship system. It was a very shifting group without real cohesion, but it gave Canada a number of friends with whom we could normally act in common. If these states should become more consistent in their opposition to extreme or impractical proposals, they might have a moderating effect on still other states with which they are associated.

30. In the early days of the Committee, Canada several times voted against our normal associates in NATO and the Old Commonwealth. Their sense of shock and resentment at this apparent desertion was much greater than was warranted by the importance of the issues involved, and was expressed in a discontinuance of invitations to attend the meetings of the administering powers. In the later part of the session we found ourselves voting much more habitually with our accustomed friends. By that time, however, we had fairly well established our independence of mind; and the value of this achievement was attested when on several occasions the United Kingdom and the United States appealed to us to intervene in debate on matters on which we would

normally have remained silent. Altogether, the Canadian Delegation took much less of a back seat in the Fourth Committee's work this year than in previous years.

31. One of the things that bedevilled the Committee was the question of oral hearings. Nearly one-third of the whole session was consumed in discussing applications and holding hearings and debating resolutions that should have been dealt with by the Trusteeship Council, not the Assembly. Since a number of the hearings took place in the dying days of the Session when there was neither time to give full consideration nor available material on which to base a reasoned judgement, the value of such hearings to the operation of the trusteeship, or the benefit to the groups involved, will be slender at best.

Palestine

32. In the context of the Assembly's work as a whole the discussion of Palestine seemed once again something apart — a bitter struggle between Arabs upholding previous Assembly resolutions they had disregarded and Israelis refusing to be bound by the very resolutions to which they owe their existence as a State.

33. Israel's efforts to free herself from previous United Nations resolutions concerning refugees, the internationalization of Jerusalem and the territorial division of Palestine were partially successful, but not in the sense expected. Israel had hoped this would be brought about through a resolution calling on the parties to the Palestine dispute to settle their differences by direct negotiation. The resolution in question so aroused the antagonism of the Arab States, because it did not reaffirm past Assembly resolutions on the three points just mentioned, that direct negotiations seemed quite unlikely to take place on the basis of the draft resolution of which Canada was one of eight co-sponsors. However, the resolution was defeated in Plenary, where it failed to gain a two-thirds' majority following a surprise Soviet switch from abstention to a negative vote and the unsettling of some Latin votes over the question of Jerusalem. This so elated the Arabs that there is a possibility that they may agree to negotiate. Moreover their realization that the Assembly is not likely to reaffirm its past resolutions on Palestine may make them hesitate to inscribe the Palestine question on the agenda of the Eighth Session of the Assembly.

34. The fact that the vote was a draw this year has made both parties feel they are off to a fresh start, and for this reason if for no other, the debate has been useful. It has had, however, an unfortunate effect on British relations with the Arabs which may affect adversely the planning for Middle East defence owing to the violent reaction in the Middle East to Lord Llewellin's unvarnished statement that the refugees would be happier if they settled in Arab States than if they returned to their former homes in Israel.

35. The efforts of the Canadian Delegation were directed towards securing a more moderate draft resolution than had been privately proposed by the Israeli Delegation. Although at first resentful of these efforts, the Delegation of Israel later came to support the results of our work. They also responded in the end to our suggestion that the expression of a co-operative attitude on their part might

provide a useful background for the negotiations. We also persuaded the Arabs to reduce their claims from implementation of all 54 past resolutions of the United Nations to the implementation of the Assembly's resolution of November 29, 1947 and a single paragraph of the resolution of December 11, 1948. These accomplishments were, however, offset by the failure of our resolution to achieve what we had hoped. Once again, the Delegation felt the lack of direct Canadian diplomatic representation in the Middle East.

Economic Questions

36. Members of the Delegation attending the Political Committees had the satisfaction of knowing that they were considering even if not settling important political issues. Members attending the Second or Economic Committee did not have the same satisfaction. It was generally realized that the important decisions in the economic field were taken elsewhere. Moreover the burning issue of the establishment of an International Development Fund to make capital grants, which caused lively debates last year, was not on the agenda this year because the Economic and Social Council instead of producing its expected report had set up a group of experts to make further studies. Hence debates in the Second Committee tended to be theoretical and to deal with secondary questions.

37. In only one field did its debates have special significance: in the restless pleadings of the under-developed primary producers for sufficient capital to industrialize their countries in some small measure. Yet these were the countries which insisted on passing the nationalization resolution which, despite disclaimers, was most likely to succeed, not in attracting, but in frightening away any private, or even public capital available for the purpose. The resolution was one-sided and failed to acknowledge the obligation to pay compensation for nationalized wealth and resources.

38. Of all the resolutions considered by the Committee only one reached it on the initiative of the group of countries of mature economies. This was the resolution which endorsed the Economic and Social Council's recommendation that the goal of the Technical Assistance Programme for 1953 should be $25,000,000. Some of the remaining resolutions were submitted by the Arab-Asian countries, but the majority emanated from the Latin-American group. The initiative in Committee 2 has thus passed almost entirely to the under-developed group, with the Latin Americans in the lead and the Arab-Asian-African delegations giving fairly consistent support. As a result, the industrialized states were fighting a sterile defensive action throughout the session and devoted almost all their efforts to the removal of the most objectionable features from resolutions which were at their worst irresponsible and at their best a mere reaffirmation of previously defined objectives.

39. This situation was partly due to the lack of leadership from the United Kingdom delegation and to the species of paralysis which domestic political circumstances imposed upon the Americans. But a more serious and more fundamental cause was the fact that the industrialized countries as a group had no positive approach to what is after all bound to be in the foreseeable future a

main preoccupation of the Economic and Social Council and the principal work of the Second Committee of the Assembly.

40. In the past a constructive step towards meeting the aspirations of the under-developed countries through international rather than purely bilateral action was the establishment of the various Specialized Agencies, including the International Bank for Reconstruction and Development. The most recent has been the Technical Assistance Program (complemented by the American Point Four Programme and the Colombo Plan). Very valuable work can be and has been done under these technical assistance programmes. But we now seem to have reached the stage where the programme is losing its momentum, or at least where some new initiative is needed if United Nations action in this field is to be fruitful.

41. In recent years, the tendency in the United States has been more towards bilateral action. This tendency may be increased with the advent of a Republican administration. We ourselves will certainly always retain an area of bilateral action or action through the Commonwealth grouping. There is nevertheless a field in which economic considerations are strongly affected by political and social factors which is proper to the United Nations in the international sphere, just as it may be proper to the public corporation in the national sphere. The much discussed International Development Fund, for example, might possibly, with careful organization and proper safeguards, be the most economical and politically effective way to meet certain of the financial needs of under-developed countries. If our expanding productive plans require expanding markets, and if technical assistance is really not enough, from the point of view of the developed countries themselves, as even Mr. van Zeeland[87] was prepared to admit, the big question is whether capital assistance should come on a bilateral or on an international basis.

Human Rights and Wrongs

42. The Third Committee, like the Second, spent most of its time on questions of secondary political importance, at least to Canada. The same groupings were apparent as in the Third and Fourth Committees, and not infrequently the same sense of unreality.

43. The most important intervention by Canada was made in the closing days of the session by Mr. Martin who drew the Committee's attention, in a vigorous statement, to religious persecution in Eastern Europe as instanced most recently by the four death sentences passed in Bulgaria but not yet carried out. Mr. Martin's statement was one of the few direct and telling attacks made during the Assembly against the principal violators of human rights and fundamental freedoms who so glibly accuse others of crimes which they have perfected.

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[87] Paul van Zeeland, ministre des Affaires étrangères de la Belgique ; chef de la délégation à la septième session de l'Assemblée générale.
Paul van Zeeland, Minister for Foreign Affairs of Belgium; Chairman of Delegation to the Seventh Session of the General Assembly.

44. The three resolutions of the Third Committee which attracted the most attention were those dealing with:

(a) Freedom of Information
(b) Political Rights of Women
(c) Self-Determination of Peoples

The Canadian Delegation opposed the Assembly's resolution dealing with the Convention on the International Right of Correction. Along with the United States Delegation and others, we felt that the Convention would contribute not to the freedom of the press but to government-imposed restrictions requiring the press to publish not merely corrections but official propaganda.

45. We supported the opening for signature of a Convention on the Political Rights of Women after a colonial application clause had been deleted so that it was no longer slanted against the colonial powers.

46. The resolutions dealing with self-determination of peoples, however, even in their amended form, were still somewhat discriminatory in that they were directed against the administering powers and might be construed as an attempt to amend the Charter by back-door methods. The Canadian Delegation therefore abstained.

Legal questions

47. The two principal items which came before the Sixth Committee were:

(a) the question of defining aggression; and
(b) the question of setting up an International Criminal Court.

The Canadian attitude towards both these questions was that, while we were not opposed in principle, consideration of concrete proposals now was premature in the world in which we live and in the relatively embryonic state of international law. The United States and United Kingdom Delegations were more vigorous in their opposition than the Canadian, and voted against the final compromise resolutions while we abstained. These resolutions, in effect, served to postpone further consideration of these items for two years, but the Arabs, Asians and Latins, with Soviet support, managed to make sure that these questions will be included on the Assembly's agenda for 1954, and will be given further study in Committee in the meantime.

48. Mr. Vishinsky honoured the Sixth Committee with a personal performance during the debate on the definition of aggression but he was too stereotyped to be really effective. He argued that the refusal of the NATO powers to consider a definition of aggression "exposed their aggressive intentions" against the Soviet Union and that their talk about loopholes in any possible definition was only to cover up their evil designs.

Secretariat Troubles

49. The suicide of A.H. Feller, Mr. Lie's General Counsel and top legal adviser, dramatized the state of demoralization into which the Secretariat as a whole has been sinking in recent months, under the impact of exaggerated

charges in the United States press of "Reds in the U.N.". Much quiet work was done during the Assembly by a number of delegations, including the Canadian, to allay fears that we were willing to stand by and allow United States hysteria to force the Secretary-General to expel from the Secretariat any American citizen considered undesirable by the host country.

50. Unfortunately, Mr. Lie accepted the Jurists' Advisory Report with undue and unnecessary alacrity as the basis of his personnel policies. Although his action calmed Senator Wiley, it alarmed other delegations concerned to maintain the international character of the Secretariat. However, the combined pleas of the President, the Chairman of the Fifth Committee and a number of delegations including the Canadian Delegation served to forestall a debate before Christmas which would have been unprofitable in the present atmosphere. At the Secretary-General's request, an item has been included in the Assembly's agenda which will ensure a full discussion of this issue in February or March.

Management

51. This Assembly was as difficult to control as its predecessors. Although the Sixth Committee studied some sensible but rather minor proposals of the Secretary-General's for improving the Rules of Procedure and shortening sessions of the General Assembly, only one was approved, the others being referred to a Committee for study and report next year. From the debates it appeared that no tampering with the sacred right to speak would be permitted by the majority of the Members. Experience has shown that the Chairmen who are most successful in completing their Committee's agenda under pressure (e.g. Kyrou of the Ad Hoc Committee), are those least inclined to give rulings.

52. Nevertheless, if Foreign Ministers are to attend a fair proportion of the time an Assembly is in session, something must obviously be done to accomplish the Assembly's task in less time than it takes at present.

Spring Sessions

53. This Assembly suffered more than any previous session from the lack of leadership from the United States Delegation. The disruption which United States elections cause to the work of Assemblies every other year has lead some Delegations, including our own, to wonder whether it would not be better to aim at holding Assemblies in the Spring rather than the Fall, despite the administrative difficulties and in some cases (e.g. the United Kingdom) the parliamentary inconvenience involved. The proposal is to be explored fully at the next session of the Assembly.

Power Groupings

54. *The Soviet Bloc* — The Soviet Delegation was an unusually strong one. When the Assembly met, it was generally expected that the Soviet Delegation would take some new initiative or in other ways reflect the policies announced at the 19th Party Congress which concluded in Moscow as the Assembly convened. In the event, the Soviet Delegation took no new tacks, sang the old

songs with less zest to a case-hardened audience, and reflected neither the note of confidence nor the shifts in the Party line which emerged from the Congress. With the exception of a brief and only partially successful foray (the "mass murder" of Korean prisoners of war) as the Assembly was adjourning for Christmas, the Soviets seemed largely on the defensive — perhaps bored or tired, perhaps saving their fire until other items more suited to their cold warfare come up after Christmas. Although we can know little about the relations between Moscow and Peking, the main achievement of Soviet policy during the Assembly may have been in keeping China in the Korean war by engineering their rejection of the Assembly's resolution.

55. *NATO* — The NATO Powers were deeply divided on colonial questions, especially Tunisia and Morocco, and on the competence issue in a manner which could only bring comfort to the Soviet bloc. Yet, as the United States vote against the Moroccan resolution showed, concern for any weakening of NATO obviously influences positions taken in the United Nations by NATO powers. If the choice is between a free North Africa without NATO airfields and a French North Africa with them there was little doubt where our immediate interests lay.

56. As for our more long term interests, there was room for doubt, and the doubts were reflected in the divisions within NATO on these issues. For in the long run the NATO Powers must also find an answer to the untidy problems that lie outside their tidy fences. How to live with Arab and Asian nationalism is one of the most urgent of these problems. Thanks to the United Nations, we have been made aware of its existence and force before it becomes too late to do anything useful about it, before it turns sour and possibly Soviet, and while it is still possible for orderly change to take place. Already since 1945, we are reminded, 600 million people have emerged from dependent to independent status.

57. *The Commonwealth* — It was a fortunate development that no hard and fast lines formed between the "old" and "new" Commonwealth countries during the Assembly's discussions of North and South Africa, and of colonial questions as such. Had India and Pakistan come to feel that on all such issues the "white" Commonwealth would be ranged against the non-white, the intimate and fruitful co-operation which marked the Korean debate would hardly have been possible. At the same time, too much should not be made of Commonwealth solidarity on Korea, against the United States. Although it was an important political fact, it was conditioned in part by the desire to put off until February any consideration of United States proposals for the "next stage" in Korea.

58. *Arabs, Asians and Latins* — This grouping, never solid but capable of delivering 34 votes of the Assembly's 60, was the real question mark at this Assembly. These states have a majority and with a few additional votes can obtain a two-thirds vote and thus pass any resolution on which they can all agree. Fortunately for the rest of us, they seldom, if ever, all agreed. But the co-operation of Arabs, Asians and several Latins was sufficiently close to elect

to office certain candidates whose qualifications leave something to be desired (e.g. Nosek[88] in place of Sharp[89] on the Contributions Committee). The potential voting strength worried the more "responsible" delegations constantly, not only on budgetary and economic but on political questions as well. The fear of this grouping and its potential power is now sufficiently clear to all that the Soviet line, which Gromyko repeated at this Assembly, about the United Nations being "a branch office of the State Department," is made ridiculous. It is this fear which makes France and the United Kingdom so eager to stand by the letter of the Charter, and so opposed to the slightest tampering with the veto.

Conclusion

59. The United Nations seemed on the whole to be growing up at this Assembly. It is true that there were many shortcomings. Much was done that should not have been done; much was left undone. Many issues were ignored. Austria was discussed briefly to please the Austrians, but nothing was said about Germany. East-West issues other than Korea were either left until the Assembly reconvenes or not put on the agenda. Other issues were raised only to be postponed. The contentious questions of the definition of aggression were shelved in Committee for two years and of the admission of new members for one year.

60. Hence, though in fact no issue was really settled, the main lines of effort were worthwhile. Some big issues at least in the political field have been aired without wars or walk-outs. There has been discussion with a minimum of intervention. There has been an attempt to bring peace to Korea and it did at any rate unite the free world as never before. The General Assembly provided the occasion for some contact between increasingly isolated groupings and sharpened the world's acuity in distinguishing shameless propaganda from an honest accounting.

DAVID M. JOHNSON

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[88] Jiri Nosek, représentant permanent par intérim de la Tchécoslovaquie auprès des Nations unies; membre de la délégation à la septième session de l'Assemblée générale; président du Deuxième Comité (Affaires économiques et financières).
Jiri Nosek, Acting Permanent Representative of Czechoslovakia to United Nations; Representative, Delegation to the Seventh Session of the General Assembly; Chairman, Second Committee (Economic and Financial).

[89] Mitchell Sharp, sous-ministre associé du ministère du Commerce.
Mitchell Sharp, Associate Deputy Minister, Department of Trade and Commerce.

5^e^ PARTIE/PART 5

CONSEIL ÉCONOMIQUE ET SOCIAL — QUATORZIÈME SESSION (20 MAI-1^er^ AOÛT 1952)

ECONOMIC AND SOCIAL COUNCIL — FOURTEENTH SESSION (MAY 20-AUGUST 1, 1952)

296. DEA/8508-40

Extrait du procès-verbal de la réunion des chefs de direction

Extract from Minutes of Meeting of Heads of Division

CONFIDENTIAL Ottawa, May 19, 1952

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14th Session of Economic and Social Council

2. *Mr. Scott.* The Canadian delegation to the 14th session of the Economic and Social Council which opens in New York on May 20th will be Mr. Jean Lesage, Parliamentary Assistant to the Secretary of State for External Affairs. Alternate Representatives will be Mr. D.M. Johnson, Permanent Canadian Representative to the United Nations and Dr. F.G. Robertson, M.P., Mr. James Sinclair, Parliamentary Assistant to the Minister of Finance and Dr. G.F. Davidson, Deputy Minister of Welfare, will attend the session for short periods as Alternate Representatives. Advisers will be Mr. Summers and Mr. Warren from this Department and Mr. Pollock from the Department of Finance. Mr. Crépault of the Permanent Delegation to the U.N. in New York will be an Adviser and Secretary of the Delegation. Other Alternates and Advisers will attend the session as required from time to time. As the normal two sessions have been telescoped into one in 1952 because of the unusually long duration of the Sixth Session of the General Assembly, the forthcoming meeting of ECOSOC will be long. It is expected to last about twelve weeks. There are at present almost fifty items on the agenda. Among the economic items to be considered are the World Economic Situation, Full Employment and the Economic Development of Under-developed Countries. This last item is perhaps the most important on the Council's agenda. Under it will be considered Resolution 520 (VI) of the General Assembly which requests the Council to submit to the Assembly a detailed plan for establishing, as soon as circumstances permit, a special fund for grants-in-aid and for low-interest, long-term loans to under-developed countries. The plan is to include recommendations concerning the size, composition and administration of the special fund, the manner of collecting contributions to it and the character of such contributions. This item poses a great problem for Canada and other Western, developed countries. Arrayed against strong domestic and fiscal considerations is the necessity of maintaining and strengthening understanding and sympathy between the free countries of the world, developed and under-

developed.[90] An issue such as this sets up a perplexing conflict of interests and great skill will be required from the Western delegations at the Council in order not to widen the gap between the poorer and richer free nations which was so apparent at the Sixth Session of the General Assembly. Of the social items before the Council the most important is that concerning Human Rights. The Commission on Human Rights has been asked to prepare for the Seventh Session of the General Assembly two Convenants on Human Rights, one dealing with traditional civil-political rights, the other with economic, social and cultural rights. The Council must consider the drafts of the covenants before transmitting them to the Assembly. Here, again, the free world is divided; the developed countries of Europe and North American take a different approach from that of the under-developed countries of Asia and Latin America, particularly with regard to economic and social rights. The discussions in the Human Rights Commission offer little hope that much common ground is likely to be found at the Council.

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297. DEA/8508-40

Extrait du procès-verbal de la réunion des chefs de direction

Extract from Minutes of Meeting of Heads of Division

UNCLASSIFIED Ottawa, May 26, 1952

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Elections to the Economic and Social Council

4. *Mr. Scott.* The Economic and Social Council opened its Fourteenth Session on the 20th of May. Mr. S. Amjad Ali of Pakistan was elected President without opposition. Mr. Jiri Nosek of Czechoslovakia and Mr. Enrique Rodriguez Fabregat of Uruguay were nominated to the first Vice-Presidency. Mr. Rodriguez Fabregat, however, declined the nomination and Mr. Nosek was elected without opposition. The Canadian representative nominated Mr. Raymond Scheyven of Belgium for the second Vice-Presidency, and Mr. Scheyven was elected without opposition.

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[90] Voir le document 343./See Document 343.

298. DEA/5475-DS-20-40

Le chef de la délégation à la quatorzième session
du Conseil économique et social des Nations unies
au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the Fourteenth Session of the
Economic and Social Council of the United Nations
to Secretary of State for External Affairs

DESPATCH 50 New York, July 3, 1952

CONFIDENTIAL

ASSESSMENT OF FIRST HALF OF 14TH SESSION OF ECOSOC

Reference: Your despatch No. 12 of June 5, 1952.[91]

1. As anticipated in your communication under reference, the Delegation has been bearing in mind the desirability of attempting to draw up an Assessment of the first half of the 14th Session of the Economic and Social Council. Copies of this Assessment, the general contents of which have been concurred in by all the members of the Delegation, are attached.

2. We should like to point out that the object of this Report is mainly to give an appreciation of the general atmosphere which has prevailed during the first half of the Session, and to set down the impressions which the Delegation has formed as to the broad policies being pursued by particular groups of countries, in particular the Communist bloc and the under-developed countries. As a mere half-way report, it does not attempt to draw definite conclusions.

JEAN LESAGE

[PIÈCE JOINTE/ENCLOSURE]

DEA/5475-DS-20-40

Appréciation de la première moitié de la quatorzième session
du Conseil économique et social, New York, 1952

Assessment of the First Half of the Fourteenth Session of the
Economic and Social Council, New York, 1952

1. In general terms it may be said that there is a distinct change from the atmosphere which has prevailed in the two preceding sessions held in Santiago and Geneva. There has been less acrimony and fewer exchanges of bitter propaganda between the Communist bloc and other countries. The under-developed countries have not attempted to over state their case. It would be an overstatement to say that this improvement in atmosphere has given us a harmonious and efficiently working Council. Rather, there has been a tendency to avoid unduly provocative exchanges and excesses of over enthusiasm. In part, this may be attributed to a desire to avoid futile debates. It may also be

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[91] Non retrouvée./Not located.

due to sheer frustration and boredom. It is perhaps not unnatural that certain representatives should wish to avoid unnecessary unpleasantness. This attitude might be described as lethargy, however, we would be more inclined to treat it as a sort of armed neutrality, with basic positions unchanged.

2. If we were to describe the Russian attitude in a few words, we would say that they did not press their case too strongly, yet never compromised it.

3. On the other hand, the under-developed countries seemed to have realized that if they were to press their case for assistance too strongly it might react to their disadvantage.

ATTITUDE OF SOVIET BLOC

4. The Soviet attitude has provided one of the surprises of this Session. In general, the spokesmen of the Soviet group have been mild in their statements. This is particularly true if compared with the speeches we had become accustomed to at previous Council sessions, and with those of Mr. Malik at recent meetings of the Disarmament Commission and the Security Council. Even their stronger statements did not seem to be meant to disrupt the work of the Council and their approach was rarely provocative. Even though all three delegations continued to follow the Party Line, the old personal attacks were distinctly absent except in one or two instances. At the same time, the Soviet delegations replied vigorously whenever attacked, and energetically advanced their viewpoint whenever they considered it expedient or helpful for purposes of propaganda. They might even have been more provocative if we ourselves had been more anxious to put forth vigorously our own viewpoint.

5. It may be that Moscow has come to the conclusion that the tactics followed over the past two years have failed to draw the under-developed countries into their orbit, but on the contrary have succeeded only in driving these countries into the arms of the more industrialized countries. The present attitude may be merely another extension of the new kind of economic offensive initiated at the Moscow Economic Conference and in the Economic Commission for Europe. There has also been speculation that this is the opening gun in a renewed effort to revive their former campaign for "peaceful coexistence between the Communist and Capitalist economic systems."

6. Disregarding possible explanations for these changes in Soviet tactics, it seems certain that the Soviet attacks against developed countries of the Western world, particularly the United States, did not have the desired effect upon the under-developed countries in the Council. On the contrary, the Soviet bloc seem to have failed entirely in their efforts to accuse the industrialized countries of economic domination and exploitation of the under-developed countries. Not only were most of the representatives of American, Asian and Middle Eastern delegations unimpressed, but they even refused to rise to the challenge. Those who did speak, such as Chile and Iran, took the opportunity to side with the capitalist countries against their would-be protectors.

BRIDGING THE GAP

7. The apparent improvement in relations between the delegations of the under-developed countries and those of the industrialized countries might be attributed to many causes. The representatives of some of the industrialized nations might claim a share in the credit for this accomplishment. At the same time, however, it would be honest to recognize that many of the agreements which have so far been reached at this session would not have been attained if the under-developed countries had not consented to put some water in their wine. It was significant, for instances, that the delegations from the under-developed countries were those which proposed the basic compromise resolution on the International Development Fund. Considering that this had been their pet project, and that they went to disturbing extremes in the General Assembly to muster a majority in support of their resolution, the question then arises as to whether the change of attitude is due to opportunism or to a greater spirit of realism and maturity.

8. Their readiness to accept the establishment this year of another Committee of Experts may have been dictated by political expediency. Their spirit of cooperation may be more apparent than real, and we may find ourselves in just as difficult a position next year, as we would have been at this session if they had decided to press forward. They might have felt that they had won a Pyrrhic victory in Paris, or they might have realized that a forced decision immediately prior to a Presidential election in the United States would have been inopportune.

9. Nevertheless, whether or not they have felt that delaying tactics at this stage would serve their interests better, it would seem that they have recognized the inevitable, and that they have held back from pursuing a policy which would have brought about a lining up of countries into hostile camps. It is also possible that they might have come to the conclusion that they are better off with the assistance they are already receiving through bilateral agreements, than they would otherwise be, were they to have to share with *all* under-developed countries, the resources of an International Fund. On this point, there is a strong possibility that Canadian participation in the Colombo Plan has had a salutary effect on recipient governments in their attitude towards external capital assistance. The Pakistan delegation in particular, has shown an awareness to the special problems involved in an economic development programme and an understanding and good-will towards countries, which could be the result of their government's present experience in administering Colombo Plan aid.

10. The "rapprochement" between the two classes of delegations may also be due in part to a less fiery enthusiasm on the part of the representatives of the under-developed countries. The aggressiveness which was prevalent in the days of Mr. Santa Cruz and others is now less apparent. This may be, of course, just the result of the absence of those who had been in the past the primary instigators of this aggressiveness and enthusiasm.

ROLE OF CANADIAN DELEGATION

11. It is a difficult task to assess just how much influence the Canadian Delegation has had so far during the first part of the 14th Session. In any event, we can at least say that the Canadian Delegation has made very special efforts in the Council and its Committees to improve the relations between the under-developed countries and the more industrialized countries, and has concentrated on this particular aim in its behind-the-scenes consultations. The members of the Canadian Delegation have leaned over backwards in efforts to convince representatives of under-developed countries that our basic objectives were the same, and that both sides should be anxious to compromise on the means and on the methods. The issues on which we have tried to be helpful might actually be small ones, but they are of the types which have proved in the past to be the greatest sources of irritation and disaccord, if no special efforts were made to "bridge the gap".

CONCLUSION

12. It is easy to be cynical about the accomplishments of the United Nations. There has been little by way of concrete achievements at this session which would help to dissipate this growing sense of cynicism. However, if we accept the view that any improvement in the general atmosphere might facilitate the work of the Council, there may be some ground for encouragement about the future role of the Council. Although certain delegations have at times been inclined to look upon the Chairman of the Council as too weak and too indecisive, the Canadian Delegation feels that by his patient understanding and friendly manner, Mr. Amjad Ali has not been entirely unconnected with that new tendency. It is even possible that his business background has influenced his own delegation and others towards a greater sense of practical realism. As to how genuine, however, are the causes to which this slight shift might be attributed and as to how long they will continue to influence the behaviour of the majority of the members of the Council, these are other questions that only subsequent sessions will be able to answer.

299. DEA/5475-DS-20-40

Le chef de la délégation à la quatorzième session
du Conseil économique et social des Nations unies
au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the Fourteenth Session
of the Economic and Social Council of the United Nations,
to Secretary of State for External Affairs

DESPATCH 95 New York, August 4, 1952

CONFIDENTIAL

PARAGRAPH 7 OF OUR TELETYPE NO. 83 OF JULY 31, 1952,†
AND OUR DESPATCH NO. 50 OF JULY 3, 1952;
ASSESSMENT OF SECOND HALF OF 14TH SESSION OF ECOSOC

1. As the Canadian Delegation of the 14th Session of ECOSOC had done for the First Half of the Session, it has prepared an Assessment of the various trends which have characterized the Second Half of the Session. Copies of this Second Assessment, the general contents of which have been concurred in by the members of the Delegation who were still in New York at the conclusion of the Session, are attached.

2. You will note that the object of this Assessment is again mainly to give an appreciation of the general atmosphere which has prevailed during the Second Half of the Session, and to set down the impressions which the Delegation has formed as to the broad policies being pursued by particular groups of countries, in particular the Communist bloc and the under-developed countries. As a report of only part of the Session, it does not attempt to draw definite conclusions which we hope to be able to do to some extent when we prepare the overall evaluation of the 14th Session.[92]

DAVID M. JOHNSON
for the Chairman

[PIÈCE JOINTE/ENCLOSURE]

DEA/5475-DS-20-40

Appréciation de la deuxième moitié de la quatorzième session
du Conseil économique et social, New York, 1952

Assessment of the Second Half of the Fourteenth Session
of the Economic and Social Council, New York, 1952

1. In our assessment of the first half of the 14th Session of ECOSOC, we stated that there had been a distinct change from the atmosphere which had prevailed during the two preceding sessions held in Santiago and Geneva. We indicated in particular that there had been less acrimony and fewer exchanges of bitter propaganda between the Communist bloc and other countries, and

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[92] Non retrouvée./Not located.

that the under-developed countries had not attempted to overstate their case. We can say that this statement is in general true for the second half of the 14th Session of the Council, although some minor qualifications should be made in respect of the attitude of the under-developed countries.

2. As they had done during the first half of the Session, the Communist delegations never failed on every issue to state uncompromisingly their established position. There were, however, during the second half of the Session occasional attempts on the part of the United States and the United Kingdom delegations to take some initiative in the propaganda field and to attack the Communists; but even then, the delegations of the Soviet bloc limited themselves to restating their case without vituperation, and certainly in a form much milder than might have been expected.

3. There was, of course, nothing to indicate that the basic Soviet stand towards the U.N. and its specialized agencies has suffered any transformation. Their attitude of indifference, or in certain cases, of antagonism, towards the specialized agencies would in fact seem to have remained completely unchanged. In line with this attitude towards the specialized agencies, they insisted on a general policy of more direct action by the Council in fields now occupied by the specialized agencies. The proposals put forward to that effect cannot be regarded as practical, but are no doubt considered by the Soviet group as having some propaganda value; since they assist them in their efforts to minimize the contributions of the capitalist countries in the economic and social fields, and support their claim that they, and they alone, have the answers to all the various ailments from which the world is suffering. Though not marked by excessive acrimony, their statements made it nonetheless clear that, in their view, the capitalist countries, and in particular the United States, did not have, nor could be expected to have in the future, a remedy to the present economic and social problems. It should be incidentally noted that the delegations of the Soviet bloc did not lose the opportunity to express their sympathies, wherever practicable, for the policies favoured by the under-developed countries.

4. The agenda of the Council for the second half of the Session unlike that of the first half, did not contain any major controversial items, on which we can accurately assess the attitude of the representatives of the under-developed countries. In these circumstances, it is somewhat difficult to assert that their cooperative attitude, which we had observed during the first half of the Session, really continued until the end of the Session.

5. There were, however, several minor items in connection with which the representatives of the under-developed countries assumed a less cooperative attitude and about which they did not hesitate to have recourse to their voting majority or even to associate themselves with the Soviet group, in order to force the acceptance of their views or their candidates. Their desire to have their own candidates elected to the Permanent Central Opium Board blinded them to the desirability of re-electing to the Board the old members of the Board, who had served devotedly for many years and who had acquired a vast and useful experience. Their stand with regard to the election of a rapporteur for the

question of Freedom of Information — before as well as after the election — pointed undeniably to a disturbing determination to put their own man in the position at all costs. Their decision to include in the list of priorities the obligations of the industrialized nations in the field of economic assistance and their simultaneous insistence to delete those obligations which would normally fall upon the under-developed countries and their reluctance in the Technical Assistance Committee to support an appeal for payment of arrears of contributions, after two weeks of urging a considerable expansion of the Technical Assistance Programmes, are other reasons why we feel we should qualify our earlier assessment. Although their position was equally firm on the question of self-determination, this stand cannot, of course, be looked at in the same light since the problem affects deeply entrenched national policies on which compromises on the substance can hardly be expected.

6. From the point of view of achievements, the accomplishment of the ECOSOC during the second half of the Session confirmed our initial impression that this 14th Session should be remembered as a Session devoted to consolidation of undertakings already begun. It gave consideration to major problems within its responsibility, reviewed the work accomplished by its specialized agencies, and its functional commissions, and requested further studies on those questions which were still not ripe for a final decision. The 14th Session is therefore not a Session of spectacular accomplishments but one which, nonetheless, fulfilled a necessary and useful task, namely to keep the wheels turning. At the same time, the experience of this Session perhaps suggests the possibility of more friendly and more fruitful discussions in the Council when propaganda is kept out of the debates.

7. We recognize, however, that an even less optimistic assessment of the work and the future of the Council might be justified, and refer you to the following paragraph of the statement by the President of the Council, Mr. Amjed Ali, of Pakistan, at the conclusion of the 14th Session:

"The uppermost impression left on the mind is that we have postponed definite action to the future and have, by and large, contented ourselves with arrangements for preparatory activities. By this, I do not mean that I am dissatisfied with the Council's work during this session or that the postponement of action could have been avoided. Rather I am expressing an awareness of the fact that the pressing problems of the world in the fields of economic development, of international trade and of monetary instability and inflation have created an atmosphere of urgency of action. Under these circumstances, it is perhaps too much to expect that the appointment of still another group of experts to study a problem, the arrangement for the preparation of still another report concerning a question, the postponement of action until the Secretary-General has had an opportunity to prepare still another working paper would universally be accepted as the utmost that can be done by the Economic and Social Council. It is this Council which, under the Charter of the United Nations and under the authority of the General Assembly, is entrusted with the promotion of conditions of stability and well-being necessary for peaceful and friendly relations among nations. It would be doing less than my duty if I did not at this time express my belief that both the authority and the prestige of the Economic and Social Council may become impaired if in several important fields it does not quickly succeed in translating the findings and conclusions of its many studies and reports into action designed to implement the economic and social objectives of the Charter. I can say this more freely as we are completing our third year in the Council."

8. With reference to the role which the Canadian Delegation fulfilled during the second half of the Session, we may confirm that the Delegation continued during the second half the same policy of trying to improve the relations between the developed and under-developed countries. Behind-the-scenes consultations again proved the more practical way to carry out this policy. As a result, the Canadian Delegation was probably at times instrumental in modifying unacceptable proposals and substituting others with a more realistic approach.

6^e^ PARTIE/PART 6

DÉSARMEMENT/DISARMAMENT

300. DEA/8508-40

Extrait du procès-verbal de la réunion des chefs de direction

Extract from Minutes of Meeting of Heads of Division

UNCLASSIFIED [Ottawa,] April 7, 1952

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THE UNITED NATIONS ORGANIZATION

Disarmament Commission

4. *Mr. Wershof.* The Disarmament Commission, established recently by the United Nations to replace the former Commission for Conventional Armaments and Atomic Energy Commission, has held a number of meetings during March. Mr. Johnson presided under the system adopted by the Commission, of monthly rotation of the chairmanship. A large portion of the time was devoted to pointless if spectacular discussion of the Soviet charge that the U.S. has used bacteriological warfare in Korea. Further discussion of this issue was finally ruled out of order by Mr. Johnson on the ground that dealing with such charges was outside the Commission's terms of reference. This ruling was supported by all but the Soviet representative. The Commission has now adopted a plan of work, under which the two most important items — disclosure and verification, and regulation of all armaments and armed forces — are to be dealt with concurrently. These problems will be studied initially in committee. The U.S. has presented a working paper setting out a detailed plan for the progressive disclosure and verification of information concerning all armed forces and armaments. Delegations have not yet had time to obtain the views of their governments on this document.

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301. DEA/50271-A-40

Le représentant permanent auprès des Nations unies
au secrétaire d'État aux Affaires extérieures

Permanent Representative to the United Nations
to Secretary of State for External Affairs

DESPATCH 463 New York, April 25, 1952

SECRET

DISARMAMENT COMMISSION — SOME SUGGESTIONS FOR BREAKING THE DEADLOCK

Reference: Our teletype No. 224 of April 25.†

1. After one of the recent meetings of the Disarmament Commission, Mr. Jakob Malik, the Soviet Representative, leaned heavily across the conference table and said to a member of the Secretariat, "Well, do you think we are getting anywhere?" The discouragement implied in that question is, I am sure, shared by all members of the Disarmament Commission. We are obviously not getting anywhere; and it is very unlikely that we shall get anywhere before the deadline for our first report, June 1. I think that the best we can aim at now is to cultivate the ground in the hope that something will bloom before the end of the summer when we shall have to submit our findings to the General Assembly. Other delegations share our feeling that June 1 need not be regarded as too important a deadline and that we should concentrate our efforts towards having something real to report to the next General Assembly.

2. With this in mind, the United States, United Kingdom, French and Canadian delegations have held a series of meetings recently on which I have reported only briefly by teletype. At our most recent meeting yesterday afternoon, April 24, we got closer to the root of the matter than at any previous time. I think it would be appropriate if I now tried to set out the main lines of approach which seem to be developing.

3. *The Elements of the Deadlock*

Before discussing the views of other delegations as to how the present deadlock might be broken, I might go over briefly the elements of the deadlock which have been particularly apparent during the meetings of the Disarmament Commission to date.

4. The essence of the deadlock has not changed very much during the past few years. Neither the Soviet Union nor the United States wish to yield those elements of military strength in which they are predominant in the early stages of any disarmament programme. The Soviet Union therefore will not agree to lowering the curtain of secrecy surrounding their military power in return for being told what they already know in considerable detail about western military power. The United States, on the other hand, will not agree to give up any significant information about atomic energy, still less prohibit the bomb, while Soviet mass armies are in a position to overrun Western Europe and the Middle East. The Western Powers therefore give priority in the Disarmament

Commission to a examination of "safeguards" — principally disclosure and verification by stages — whereas the Soviet Union calls for an immediate "decision" to prohibit weapons of mass destruction and reduce armaments and armed forces of the major Powers by one-third. Without some kind of "decision" on prohibition and reduction, the Soviet Union fears that the Western disarmament scheme will never get beyond collecting military information and will never arrive at the prohibition of weapons of mass destruction nor the reduction of armaments and armed forces. We fear that the "decision" they propose would be empty and delusory without safeguards to back it up.

5. *Analysis or Synthesis*

It is interesting to see how national habits of mind are reflected in the ways in which different delegations think our problem should be tackled. Mr. Moch,[93] for example, has been making, both in and out of the Commission, remarkably lucid and comprehensive studies of the situation as a whole. His approach is comprehensive and logical. By working out a skeleton draft treaty covering in broad terms the steps we propose for reaching general disarmament, he thinks that we might give Mr. Malik more concrete assurance that the western proposals would, in fact, be carried out to the stage of reduction and prohibition and would not be halted after some degree of disclosure and verification.

6. My Dutch and United Kingdom colleagues, on the other hand, prefer a more analytical approach. They would like to tackle manageable bits of the problem and only subsequently try to make a comprehensive whole from the component parts. They would like therefore to avoid working on a draft treaty to be submitted to a world conference of all states until Mr. Malik shows some interest in such particular subjects as the West regards as touchstones of Soviet sincerity, e.g. effective international inspection.

7. *Atomic and Conventional Weapons — A Single Package*

The Western Delegations are all agreed that it has become essential to keep together atomic and conventional disarmament. Although there might be some minor steps that could be taken in one field or the other, nothing important could be done in either field unless there was a corresponding advance in the other.

8. A few years ago, as I recall, the Department reached this conclusion on the grounds that it would be unsafe for the West to relinquish its atomic superiority until the free world had a parity with the Soviet world in other forms of weapons and armed forces. Today we are perhaps closer to parity with the Soviet bloc in conventional weapons and armed forces, but there is now another reason compelling us to keep the two aspects of the subject together as two sides of the same coin.

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[93] Jules Moch, membre de l'Assemblée nationale de France ; membre de la délégation à la sixième session de l'Assemblée générale.
Jules Moch, Member of Parliament of France; Representative, Delegation to the Sixth Session of the General Assembly.

9. If the majority plan for atomic control were put into effect tomorrow, it would be impossible to ensure that either side was declaring its entire stock pile of atomic weapons. In 1946 and 1947 there were very few bombs in existence. Now there are many; and they are not all on one side. No amount of accounting and back-checking could determine for sure that substantial stock piles of bombs were not being withheld from the International Control Authority.

10. For this reason, Western Delegations here believe that the only condition on which it would be safe for the free world to agree even to the majority plan for the control of atomic energy would be if it were coupled with a plan for comprehensive and balanced disarmament in other fields, with appropriate safeguards to make sure it was carried out. An undeclared stock pile of atomic weapons would be much less dangerous in the hands of a state which did not have the capacity, in terms of conventional forces and weapons, to exploit any sudden use of its concealed atomic weapons. In an article in the *Bulletin of the Atomic Scientists* for March, which has been widely read here, Professor Cavers has used this fact as an argument for loosening up the plan of the majority for atomic controls. I think his argument is justified, but it is perhaps even more to the point to observe that this fact makes any plan for atomic control without general disarmament very dangerous. In that sense, the stakes in the Disarmament Commission are perhaps even higher than they were in the days of the Atomic Energy Commission and the Commission for Conventional Armaments.

11. It is pretty plain that the Soviet Government realizes the present ambiguity and dangers (from the point of view of the West) in the majority plan for atomic energy. Mr. Cohen[94] has told me that during the last session of the General Assembly in Paris Mr. Malik had asked him privately one day what would happen if the USSR were suddenly to accept the majority plan as it stands. Mr. Cohen said that he was somewhat at a loss for a reply but said, "Try it and see."

12. *French Ideas*

Mr. Moch has proved himself the most effective debater on the western side in the Disarmament Commission. Although his logic has occasionally carried him well off the ground of reality, his has been the most fertile mind in producing new ideas which he has been quite ready to discuss with us privately and modify in the light of our comments. At present he is chiefly worried by the United States proposal of five stages for disclosure and verification (Document DC/C.2/1 forwarded with our letter No. 350 of April 9).[†] He does not see how we can defend a position which discloses very little information of real value in the atomic field until the completion of the fifth and final stage and which would require that everything of military value be disclosed and verified before anything is reduced or prohibited.

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[94] Benjamin V. Cohen, membre suppléant de la délégation des États-Unis à la sixième session de l'Assemblée générale.
Benjamin V. Cohen, Alternative Representative, Delegation of the United States to the Sixth Session of the General Assembly.

13. Although he feels unhappy about the whole concept of "stages", he thinks it would be an improvement if the five United States stages were compressed into three and made more logical in their subject matter. His scheme for doing so, now approved by the French Government, was sent to you under cover of my letter No. 435 of April 25.† As you will see, he has made no attempt to say what atomic information should be disclosed in any one of his three stages and he has asked Mr. Cohen to have his experts fill in that side of the picture. Mr. Cohen said that he would be glad to see what could be done but doubted very much whether the atomic stages could be compressed into three steps, although he thought it might be possible to do it in four stages.

14. Apart from the question of whether there are three stages or five, Mr. Moch believes that some degree of reduction or limitation of forces would have to take effect *during* the stages rather than at the end of them. From the practical point of view, he doubts whether any European Parliament would vote money for continuing to expand the armed forces of their country after the successful completion of even the first stage of a disarmament programme of disclosure and verification. In effect, he thinks that whatever the rights and wrongs of the matter, there would have to be a general "freeze" towards the end of the first stage. In other words, armed forces and armaments would not be increased after that point and actual reduction might begin after the second stage (in the French programme) had been completed. Although he hesitates to venture into the atomic field, Mr. Moch did suggest to us privately that he personally thought there should be, perhaps at the end of the first stage, a six months "stop" on the operation of all atomic plants of any description, to make possible the completion of the second and third stage, by which time prohibition of atomic weapons would come into effect. (The idea of a "stop" on atomic production has, of course, been suggested before — notably by General Rómulo,[95] if I am not mistaken, during the General Assembly of 1949.)

15. From Mr. Tiné, the Counsellor of the French Delegation advising Mr. Moch, we have learned that Mr. Moch has been impressed by the arguments of Professor Cavers, to whose article in the *Bulletin of the Atomic Scientists* I have already referred. Mr. Moch has hinted in his statements in the Disarmament Commission and has suggested to us privately in more explicit terms that it should be possible to redefine our concept of international control in terms which might retain the substance of management but under the label of inspection. He points out that "control" means much less in French than in English and the French Delegation has never been satisfied with the United States concept of ownership in trust. This is not implied by the word "control" in French, which, he says, means only a general kind of supervision or loose management which might be effectively carried out through a thorough-going inspection system. It is, I suppose, true that in practice the inspectors of an international control agency would virtually manage the operations of atomic

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[95] **Le brigadier général Carlos P. Rómulo ; secrétaire d'État des Philippines ; chef de la délégation à la sixième session de l'Assemblée générale.**

Brigadier-General Carlos P. Rómulo; Secretary of State of Philippines; Chairman, Delegation to the Sixth Session of the General Assembly.

establishments if the international control agency had the power to set "safe" levels of operation — i.e. levels which would meet the legitimate peaceful requirements of a country but would not permit of large scale production which could be diverted to military purposes. This, I know, is a somewhat slippery argument, and I am sure that Mr. Moch himself is quite conscious of the dangers for he has not pressed it in our private discussions.

16. In our private talks, Mr. Moch constantly returns to the subject of Germany. He continues to display, as he did as Defence Minister during the NATO meetings in the fall of 1950, a lively concern about any possible German rearmament, whether in the context of the European defence community or not. This, I suspect, is the clue to Mr. Moch's eagerness to open up every possible avenue which might lead to some genuine disarmament. He even told the French Chamber of Deputies on February 12, before leaving for New York, that he hoped no irretrievable step would be taken in relation to the rearmament of Western Germany until the Disarmament Commission has had a chance to show whether or not there was any possibility of reaching agreement with the USSR on a general level of armaments which would be sufficiently low that no German rearmament would be required. From what he has said, I have the impression that Mr. Moch will be prepared to acquiesce in the creation of a European Army including German units if he convinces himself here that no agreement with the USSR is possible. But first he is bound he is going to have a good try.

17. *The United States Ideas*

Mr. Cohen also, I believe, genuinely wants to see the Disarmament Commission making progress, but he is much more skeptical of the chances of anything substantial coming out of it this year. Necessarily mindful of the United States elections, he seems to be primarily concerned with the effect of the Disarmament Commission on public opinion both here and abroad, and his main proposals seem, to me at least, to be tailored principally to that end. Although his querulous manner of speaking does not carry much weight, he has been more effective in his private talks with other delegations in which he has demonstrated his sincerity and his readiness to listen carefully to other points of view.

18. Mr. Cohen deprecates the preoccupation of the public and many officials with the atomic side of our disarmament problem. He sees that it is natural that those who have worked closely with the Atomic Energy Commission should think more in terms of atomic than conventional disarmament, but he is afraid that if we continue to concentrate on "atomics" we shall be playing into Soviet hands. The Soviets, Mr. Cohen says, have always wanted to use discussions in the U.N. to draw attention to the "aggressive atomic diplomacy" of the United States, whereas it is in the interests of the West to concentrate public attention on Soviet mass armies which are the real danger to peace.

19. Although Mr. Cohen realizes that nothing substantial can be done in the conventional field without some parallel step in the atomic field, he thinks that it might be possible to take the size of the armed forces of the Great Powers as one problem in which you could get a balanced reduction without necessarily

involving other aspects of disarmament. In other words, he hopes to be able to propose that all states having substantial military forces should agree to reduce their armed forces to fixed maximum levels based on an initial level of 1 percent of their population, with minor adjustments as necessary to meet special cases. States having a population in excess of 150 million, however, should accept an initial maximum level of 1,500,000 for their armed forces. The text of Mr. Cohen's draft proposals was sent to you in our teletype No. 224 of April 25.[7]

20. Mr. Cohen is, as you will see, proposing that the initial reduction to the above levels should follow the completion of the first step of disclosure and verification when an international control organ would be in existence and would already have some material to go on.

21. Mr. Cohen's proposal would not exclude parallel steps being taken in the atomic field on the basis of the majority plan, but his proposal for reducing armed forces could, he thinks, be put into effect independently of any progress in the atomic field.

22. As Sir Gladwyn Jebb and Mr. Moch have been quick to point out to Mr. Cohen in private, Mr. Cohen's plan might be interpreted to permit the armed forces of the United States, United Kingdom and France to exceed those of the Soviet Union — a proposal which is not likely to appeal to the Soviet Government, especially when it is not combined with any plan (other than the majority plan) for the prohibition of weapons of mass destruction. Sir Gladwyn Jebb has suggested that it would not be necessary to tie such a scheme to the United States stages for disclosure and verification but that it might be put forward quite independently and with modifications which would result in a closer balance between the forces which would remain on both sides if the plan were put into effect.

23. In this connection, Mr. Cohen does not exclude the possibility of the population figures for the United Kingdom and France being based on their metropolitan populations plus one-third or one-half of the population of their dependent territories. This would have the effect of slightly reducing the present military establishment of the United Kingdom and leaving the French Armed Forces approximately where they are now, giving both together an establishment of 1,500,000 men.

24. According to the rough calculations of General Dimoline, the United Kingdom member of the Military Staff Committee, the United States proposals, with the modification suggested by Mr. Cohen for dealing with the populations of dependent territories, might give approximately the following results on both sides: United States: 1,500,000 U.S.S.R.: 1,500,000 United Kingdom: 750,000 Communist China: 1,500,000 France: 750,000 Satellites: 700,000 Other NATO and old Commonwealth countries: *700,000* Total: 3,700,000 Total: 3,700,000

Although the Soviet Union would be asked to reduce its own forces by a considerably larger percentage than the United States, a rough balance on both sides would result from the application of the United States formula which, of course, bears a close resemblance to the criteria which were being considered by both the United States and United Kingdom Governments before the tripartite proposals for disarmament were presented to the General Assembly in Paris last November.

25. The plan would, incidentally, permit an expansion of the Canadian armed forces.

26. Mr. Cohen is fully alive to the propaganda, or counter-propaganda, advantages of his proposal. If nothing more substantial can be proposed by the United States Government this year, he believes it is perhaps advantageous to make a simple and resounding proposal which will undercut the Soviet proposal for a one-third reduction in the armed forces of the Great Powers. Mr. Cohen has told us that he thinks it would be very difficult for Soviet propaganda to back-water in rejecting his proposal which would cut the armed forces of the two principle powers not by one-third but by upwards of one-half. It would help to fill in the conventional side of our disarmament work which, as I have said, Mr. Cohen thinks is being neglected; and it would at the same time draw public attention to Soviet mass armies rather than to United States atomic bombs.

27. What evidently struck Mr. Moch most forcibly when Mr. Cohen presented his draft plan for the reduction of armed forces to us, was that if the United States were to reduce its armed forces to 1,500,000 men, it would almost inevitably have to withdraw the bulk of the forces it now has in Western Europe and Asia. This is naturally a thought that must haunt the minds of European statesmen and I should not like to minimize its importance; but in a world in which the Soviet Union had only 1,500,000 men under arms, I should not think that Western Europe would have too much cause for alarm, provided the USSR was not in a position to mobilize rapidly and secretly large reserves.

28. As regards the atomic side, Mr. Cohen has defended the majority plan as staunchly among us in New York as I suspect he has urged some study of possible revisions in Washington. He has told us privately that, quite apart from the domestic political situation in the United States, the experts in Washington regard the loss of a United States monopoly and the growth of large stock piles of bombs on both sides as requiring not a less rigid but a more rigid plan for the international control of atomic energy. If the dangers of evasion are now greater because international control can no longer be introduced before many bombs have been made, the United States experts argue, it makes it all the more necessary to insist on full management and ownership of all atomic energy installations.

29. Another argument which Mr. Cohen has been using privately is that until the time comes when the Soviets give us some indication that they are ready to negotiate seriously, until Mr. Malik shows some real interest in getting down to details in discussing safeguards with us, it would be premature to try to revise the majority plan along the lines of some "inspection only" proposal. The majority plan is now generally supported by public opinion in the United States, but the support which has been built up not without difficulty would be jeopardized by any one-sided concessions which would be bound to be regarded

by United States public opinion as a betrayal of trust and represented as tying the hands of the United States Government while leaving the U.S.S.R. a free hand.

30. *United Kingdom Ideas*

In their defence of the majority plan and nothing less than the majority plan, the Foreign Office are at least as firm as the State Department. The United Kingdom Delegation agree to the hilt with Mr. Cohen when he says that it would be the greatest mistake for one of us to imply in the Disarmament Commission that we were ready to move from the majority plan until we had agreed among ourselves, after very careful thought, on some equally effective alternative plan.

31. Perhaps for that reason, Sir Gladwyn Jebb has not displayed the same enthusiasm in the hunt for new ideas as Mr. Moch. On the other hand, he has appeared less concerned than Mr. Cohen over the "public relations" aspects of our work. He has tried rather to keep both feet on the ground and see that any proposals put forward on the Western side were solid and free from implications which might be dangerous.

32. In commenting on Mr. Cohen's draft proposals for a reduction of armed forces, Sir Gladwyn Jebb said that his Government are seriously thinking about parallel proposals. From his adviser, Mr. Laskey, we have since found out privately a little more of what the Foreign Office may have in mind.

33. Starting from the proposition that it would be desirable to have as a basis for negotiation some idea of what each government would regard as the minimum level of its armed forces essential for its own security, the Foreign Office are considering a rather complicated formula which would break down the figure of minimum forces required into its component elements for police, metropolitan and overseas responsibilities. They might suggest a questionnaire being circulated to members of the Disarmament Commission asking them what minimum forces they would require in these categories on the assumption that their neighbours were also to disarm and that all weapons of mass destruction were to be effectively prohibited. They would then foresee a series of negotiations between states based on the answers to the above questionnaire, as they recognize that the forces any given state will need for its internal security will largely depend on the forces needed by its neighbours.

34. If the United Kingdom Delegation put forward a "minimum forces," questionnaire, they will probably not tie it to any system of stages. In fact, they are not altogether happy with stages proposed by the United States, in particular, the proposal that aerial surveys be conducted in stage 1. Not only will this be totally unacceptable to the U.S.S.R., but even the United Kingdom Government might hesitate to agree to have its many military bombing targets photographed during the first stage before either side would have any real security. They would therefore prefer a more modest definition of stage 1 — or, on the other hand, a much more radical proposal for the completion of the entire system of stages quickly so that some measure of actual disarmament might fairly soon and surely follow aerial surveys.

35. *Conclusions*

"Conclusions" is perhaps not the best word to describe the few paragraphs which follow because there are in fact few conclusions expressed.

36. As you will have seen from the foregoing review of our disarmament discussions, I have not taken a leading part in them. Although I have done my best to obtain information from the three Western Powers about their views in order to report them accurately to you, I have not been active in putting forward ideas of my own. This is partly because we have not yet received instructions and partly because I have not made up my own mind as to the best course to follow.

37. It seems to me that there are two main problems facing us, namely (a) the concessions which might eventually be made, and (b) the timing of these concessions.

38. I suggest that we should now seriously consider what modifications might be made in:

(a) the majority plan for the international control of atomic energy,

(b) the U.S. working paper on disclosure and verification (in five stages) and

(c) the U.S. working paper on essential principles for guiding the work of the Disarmament Commission.

39. As regards (a), I have been impressed with what Prof. Cavers says in the article which you drew to our attention, but I am handicapped by lack of technical knowledge of the subject. It would be interesting to know if our experts agree that the modifications in the majority plan which he suggests would not imperil our position. I refer particularly to his thesis that with adequate inspection machinery the provisions in the majority plan for ownership (and control) may not now be necessary, in a plan for general disarmament including not only atomic but conventional weapons, and armed forces.

40. As regards (b) and (c), I do not think that Mr. Cohen is particularly wedded to the idea of five stages, but it seems to me unlikely that Mr. Malik will be interested in discussing any proposal involving stages until there has been some kind of agreement in principle that when an international control system is ready to operate effectively there will be prohibition of weapons of mass destruction and limitation and reduction of armed forces and armaments. It is doubtful that the United States "principles" will be an acceptable substitute for what Mr. Malik has been calling a "decision" and some thought might be given to how far we could safely go in the direction of making a "decision" which would of course not be binding in any way until an effective international system of control was in operation.

41. As regards the timing of any concessions which we might eventually make, I have reached the tentative conclusion that nothing should be done until the Soviet representative indicates a wish to get down to serious business. Mr. Malik up to the present has produced no working paper and has made no suggestions which might be taken as a basis for discussion. With perhaps one important exception (paragraph 6 of my teletype No. 156 of April 4),[†] Mr.

Malik has not answered our questions about the Soviet "concessions" made in Paris last January on "simultaneity" and continuous inspection, although asking for concessions from us in the field of "ownership". He deliberately ignores, misstates or misinterprets statements and speeches by Western Delegations. His speeches have been an unrelieved record of abuse and vilification.

42. The effect of Mr. Malik's speeches have, I think, been to harden against him the opinions of us all. This is equally true, I think, of the Pakistani, Brazilian and Chilean members of the Disarmament Commission who might be inclined to take a middle position. It has been particularly useful having Mr. Moch here. At the beginning I think he perhaps more than anyone else hoped that real progress could be made. His line was conciliatory. He urged us to let Mr. Malik have his say in public if he wished and to avoid calling him strictly to order. Mr. Moch is by now pretty well discouraged. At the meeting of the Committee 2 on April 25, Mr. Malik, you will remember, rejected the U.S. paper for disclosure and verification out of hand. This shocked Mr. Moch. At the end of our meeting he pleaded with Mr. Malik to suggest some amendments or to present alternative proposals. If there is no answer to this plea, I imagine Mr. Moch will be even more discouraged than he now is. I cannot help feeling that Mr. Malik's tactics have boomeranged.

DAVID M. JOHNSON

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302. DEA/50271-A-40

Le secrétaire d'État aux Affaires extérieures
au représentant permanent auprès des Nations unies

Secretary of State for External Affairs
to Permanent Representative to the United Nations

DESPATCH D. 311 Ottawa, May 9, 1952

SECRET

DISARMAMENT COMMISSION

We cannot afford not to take seriously the establishment of the Disarmament Commission and the task which the General Assembly has given it. Whether we like it or not, the two main aspects of this task, the substantive and the propaganda aspects, cannot be separated. Public opinion has tended to concentrate upon the question of disarmament as the most important issue arising at the recent session of the Assembly, and, in spite of past disappointments, to regard with cautious optimism the possibility that the Russians may be prepared to make genuine concessions along the lines suggested by Mr. Vishinsky and Mr. Malik. Our only long-term answer to the Soviet contention that the Western powers are unwilling to submit to any real prohibition of atomic weapons and reduction of armaments, regardless of whether that contention is sincere or not, is to do all in our power to bring the work of the Disarmament Commission to a successful conclusion. This in itself would furnish the most effective propaganda for the Western cause and if, having made a genuine constructive effort toward disarmament, unhampered by previous preconceptions, Soviet intransigence continues to bring the Commission's work to naught, we would then be in a position to ensure that opinion throughout the world understood the reason for failure. Past experience has led us to believe that the Soviet leaders are sensitive to world opinion.

2. It will not be sufficient for the Western powers merely to take a dogmatic stand on their previous position. We must make every effort, not only to secure the effective control of weapons of mass destruction and a balanced reduction of armaments and armed forces, but also to convince both the Russians and public opinion in general that this is our earnest aim. Any real progress toward the goal of disarmament can be measured only by the extent to which agreement can be achieved between the Soviet Union and the Western powers. It should therefore be the main objective of the Canadian Delegation to bring about such agreement, without sacrificing our national or collective security, and we should allow our methods to be as flexible as need be to achieve this objective. In this connection we should bear in mind, as I stated in Committee I of the General Assembly on November 21, 1951, that there must be a balance of risks and safeguards on both sides. It is clear, for example, that the U.S.S.R. will not agree to open the secrets of its military power to disclosure and verification in return for information it already has concerning Western military power, and that, on the other hand, the United States will not disclose any significant information about atomic energy or agree to prohibit the atomic bomb while Soviet mass armies are in a position to over-run Western Europe and the Middle East.

3. In view of these considerations, I believe that no general plan of disarmament is likely to have any prospect of success unless it not only deals at the same time with both conventional and atomic armaments but also incorporates all three segments of the problem: the "decision" to prohibit atomic weapons and reduce armed forces and armaments (regarded as essential by the U.S.S.R.); the "safeguards" of disclosure and verification of information on such weapons, armed forces and armaments (regarded as essential by the Western powers); and the "system of international control" which is essential to enforce the plan. As Mr. Malik has pointed out, disclosure and verification are not ends in themselves but are part of the whole field of regulation and control of armaments and armed forces. If necessary, we should be prepared to go on record in favour of the prohibition of the atomic bomb and other weapons of mass destruction and a balanced reduction of armaments and armed forces at such time as an effective system of international control is established by agreement among the major powers. Moreover, we need have no hesitation in making our agreement to a plan for disclosure and verification conditional upon similar agreement on regulation and control.

4. It would scarcely be appropriate for Canada, with its limited experience in the maintenance of large scale military establishments, to prepare in detail a general disarmament plan, but we might contribute to such a plan with respect to atomic control. There are in the article by Professor Cavers in the March

issue of *The Bulletin of Atomic Scientists* some ideas which we consider worthy of detailed study. We therefore intend to re-examine the provisions of the majority plan concerning ownership and operation of facilities with a view to working out possible modifications on those points.

5. In line with this positive approach we should strive to make the Disarmament Commission into a working body rather than a forum. It should be made clear, both to the Soviet representative and to the public, that we are in earnest about the serious purpose of the Commission and that we believe it can do constructive work if it concentrates on its terms of reference, but that the quickest way to thwart that purpose is to indulge in mere propaganda. An effort should be made to restrict the public sessions of the Commission as much as possible and to persuade it to do its work in closed committee. If it is then found necessary to issue public statements concerning the Commission's work, the reports should not be designed to cover the substance of the discussions but only to indicate in the most general terms such progress as has been made. I suggested in the House of Commons on April 1 that while international covenants should be made public, they may often be better negotiated in confidence, provided the principles and purposes of the negotiations have been made known. I should therefore like to see the Disarmament Commission's committees operate like the four-power subcommittee established by Committee I of the recent General Assembly, and not like most of the "secret" discussions which are being conducted at Panmunjom where the practice has been to tell the press everything, thus foregoing the advantages of secret diplomacy.

6. In spite of these efforts, however, the Disarmament Commission may make little or no headway for the time being. We must face the fact that progress there depends in large part on the broad balance of power in the world between the Western powers and the Soviet Union and its allies. The Soviet leaders are unlikely to agree to any substantial disarmament or balanced reduction of armed forces unless they believe that they would thereby lose less than by continuing their present policy. Our purpose in building defensive strength in association with our allies in NATO is not only to deter and, if necessary, to defeat aggression, but also to reach such a position of strength that the Soviet Union will wish to negotiate with the Western world. We must therefore be ready to take advantage of any willingness the Soviet Union shows to discuss the outstanding issues which divide us, and the Disarmament Commission might provide a suitable meeting ground. For this reason there can be no particular deadline, such as June 1 or even the next session of the General Assembly, for completion of the Commission's task. It is more important that the Commission establish a reputation for serious and workman-like discussion. If it nevertheless becomes certain that the Commission will be perverted into a propaganda forum, it might be preferable to adjourn the Commission's work for the time being, making it clear why, rather than to run the risk of bringing the Commission into permanent disrepute.

L.B. PEARSON

303. DEA/50271-A-40

Note du sous-secrétaire d'État aux Affaires extérieures pour le secrétaire d'État aux Affaires extérieures

Memorandum from Under-Secretary of State for External Affairs to Secretary of State for External Affairs

SECRET Ottawa, June 14, 1952

DISARMAMENT COMMISSION

You will recall that Mr. Reid in his memorandum of May 10† summarized the main problems that had arisen in connection with the work of the Disarmament Commission. Since then, the most important development has been the submission of the United States-United Kingdom-French proposal for the numerical limitation of all armed forces. The core of the proposal is contained in the following "working formula" which was suggested as a basis of discussion in the Commission:

a. "There should be fixed numerical ceilings for China, France, the USSR, the UK, and the US which should be worked out with a view to avoiding a disequilibrium of power dangerous to international peace and security among themselves or with other states and thus reducing the danger of war. It is tentatively suggested that the maximum ceilings for the USSR, the US and China should be the same and fixed at, say, between 1,000,000 and 1,500,000 and the maximum ceilings for the United Kingdom and France should be the same and fixed at, say, between 700,000 and 800,000."

b. "For all other states having substantial armed forces there should be agreed maximum ceilings fixed in relation to the ceilings agreed upon for the Five Powers. Such ceilings should be fixed with a view to avoiding a disequilibrium of power dangerous to international peace and security in any area of the world and thus reducing the danger of war. The ceilings would normally be less than one percent of the population. Moreover, they should be less than current levels except in very special circumstances."

2. The part of this formula of direct interest to Canada is that which would limit Canadian armed forces to "less than current levels" and "normally less than one percent of the population." Since Canada's armed forces are at present less than one percent of the population, the tripartite proposal, if it were to be put into effect, would presumably restrict the armed forces to their present numbers. There could hardly be any "very special circumstances" applying in our case; such circumstances would exist only where equal application of the general restriction to all the countries in a particular area of the world would create a disequilibrium of power dangerous to international peace and security. Our delegation in New York has made informal comments to the sponsoring delegations concerning the presentation of this proposal but it has not expressed any view on the substance. We are now consulting the Chiefs of Staff on this point.

3. The tripartite proposal was introduced on May 28 by Sir Gladwyn Jebb, the United Kingdom representative, who pointed out that it would entail a much greater cut (about fifty percent) in the armed forces of the Great Powers than would the Soviet proposal for a one-third reduction and would moreover apply (unlike the Soviet proposal) to all states having substantial armed forces. Mr. Cohen, the United States representative, and Mr. Moch, the French representative, made supporting statements emphasizing that this proposal was intended to deal with only one part of a comprehensive disarmament programme which would also include disclosure and verification of armaments and armed forces, regulation of armaments, prohibition of atomic weapons, and control of atomic energy.

4. In spite of the fact that this is the first really concrete proposal for disarmament which has yet been presented to the Commission, it has received remarkably little attention from the press. The explanation probably lies in the method of presentation for, although the actual submission by Jebb was excellent, the drafting of the proposal itself was wordy, repetitious and diffuse (the core of the proposal being buried in the middle of the paper), and there was little or no supporting publicity in Washington, London or Paris. As a result, the opportunity appears to have been lost, for the time being at least, of striking an effective blow against Soviet "peace" propaganda. However, this does not necessarily mean that a suitable occasion could not be found later, perhaps at the next session of the General Assembly, for launching this proposal in a simplified form with the publicity it deserves.

5. The lack of public attention to date may in part explain why Mr. Malik, the Soviet representative, after giving an initially cautious reception to the tripartite proposal, has since returned to the sort of purely negative criticism to which he has subjected every Western suggestion so far made in the Commission. Fundamentally the Soviet position is that any discussion on reduction of armed forces should be on the basis of the Soviet proposals. The following are Malik's main comments to date:

(a) The fixing of numerical ceilings on armed forces is not a reduction but only "legalization of the inflated armed forces of the three powers."

(b) Sea and air forces should be explicitly mentioned (this in spite of the fact that the proposal refers to *"all armed forces"*) and the proportions between the three services should be fixed.

(c) The proposal should provide, not only for the reduction of armed forces, but also for the reduction of armaments and the prohibition of weapons of mass destruction, on which decisions should be taken simultaneously.

6. In view of the Soviet attitude, it is now being seriously considered by members of the Commission whether the Commission might be adjourned officially or unofficially during July and August and active work resumed in September. I assume that we would have no objection to such a course if it were generally acceptable.[96]

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[96] **Notre marginale :/Marginal note:**
no.

7. Besides trying to discredit the Western proposals, the Soviet tactics in the Commission have also been aimed at splitting the United States from its supporters, particularly the French. In this regard there exists, it should be noted, a potential danger in the difference of approach between the French and the United States representatives. Mr. Moch, unlike his colleagues on the Commission, is an active and contentious figure in French political life. He is, as you no doubt know, one of the still considerable group in France which regards the threat from a new German aggressiveness as greater than that from Soviet expansion. Perhaps for these reasons, he tends to take a shorter term and more urgent view of the Commission's task in the hope that, if an effective disarmament plan can be achieved, and with it some form of *modus vivendi* with the U.S.S.R., further progress along what he regards as the dangerous course of Western policy in Germany may be arrested. To this end he is prepared to make major concessions to the U.S.S.R. now in the hope of achieving immediate results. This is in sharp contrast to the United States position, which is that, until the U.S.S.R. demonstrates its readiness to discuss seriously the essential elements of a disarmament plan, it would be vain and even dangerous for the Western powers to make concessions. This difference of approach has shown itself so far in connection with the questions of disclosure and verification (where Moch was in favour of reducing the number of stages and disclosing atomic information earlier than the United States proposal suggested), the control of atomic energy (where Moch desires to review now the ownership provisions of the majority plan), and a disarmament treaty (where Moch would like to start now on the drafting of a comprehensive intergovernmental agreement).

8. If this divergence of view were to widen, it would clearly place other members of the Western alliance, including ourselves, in an awkward position, and we therefore have an interest in trying as far as possible to see that a moderate course is taken which can be supported by all the Western delegations. Canada has so far played a minor role in the Commission itself. However, our delegation in New York has participated in a number of informal discussions with the United States, United Kingdom and French delegations and there will undoubtedly be an opportunity in this informal forum to put forward a point of view which, while avoiding any hasty action that might endanger our security, would at the same time enable positive proposals to be put forward which would test the sincerity of the Soviet Union.[97]

E. R[EID]

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[97] Note marginale :/Marginal note:
This is the right position for us to take in this matter.

304. DEA/50271-A-40

Le représentant permanent par intérim auprès des Nations unies au secrétaire d'État aux Affaires extérieures

Acting Permanent Representative to the United Nations to Secretary of State for External Affairs

TELEGRAM 498 New York, August 14, 1952

CONFIDENTIAL

DISARMAMENT COMMISSION

Reference: Our teletype No. 495 of August 13.

1. As the Security Council will be busy next month with the question of new members, most delegations hope that the work of the Disarmament Commission will have been largely completed by the end of this month with the adoption of a report to the General Assembly.

2. We have as yet made no comments on the tripartite proposals for fixing ceilings on armed forces. These proposals were submitted on May 28 and most other delegations have given at least their preliminary comments on them. Canada is one of the six permanent members of this commission. Our delegation has been the only one included in regular informal consultations with the United States, United Kingdom and French delegations. I therefore think that we should not remain silent on the major tripartite initiative taken in the commission.

3. The supplementary tripartite proposals introduced at our last meeting on August 12 will in all probability be further discussed next week. We shall therefore have an opportunity, if we wish to take it, of making a statement not only on the supplementary paper but on the general approach embodied in the May 28 proposals. As we said in paragraph 5 of our teletype No. 314 of May 27[†] asking for instructions, I think it would be hardly worth saying anything unless we could make a fairly definite statement that the tripartite approach to the problem commends itself to the Canadian Government. This would imply that the Canadian Government was, in the event of agreement among the other powers concerned, prepared to negotiate an agreement which would limit Canadian armed forces to no more than present levels or one percent of population. We would not be bound by such an agreement until the successive stages of negotiation — Big Five Conference, Regional Conferences, and World Conference — had been concluded and the treaty which emerged had been ratified by the major powers.

4. In view of the Soviet attitude in the Disarmament Commission and outside it, it may seem somewhat unreal to consider seriously our attitude to disarmament proposals. Nevertheless, other governments with which we are closely associated have managed to agree on some fairly far-reaching formulations and I think they might justifiably expect some Canadian support to be recorded for the Disarmament Commission's report which will be an important item on the agenda of the next General Assembly.

305. DEA/50271-A-40

Note du sous-secrétaire d'État aux Affaires extérieures pour le secrétaire d'État aux Affaires extérieures

Memorandum from Under-Secretary of State for External Affairs to Secretary of State for External Affairs

SECRET [Ottawa,] August 14, 1952

DISARMAMENT COMMISSION

Balanced Reduction and Limitation of Armed Forces and Conventional Armaments

In my memorandum of June 14, I described the United States-United Kingdom-French proposal for the numerical limitation of all armed forces which had been submitted to the Disarmament Commission on May 28, the reception it had been given, and some of the problems it raised. We have now held preliminary consultations with the Chiefs of Staff on the substance of this proposal, particularly as it affects Canada, and they have expressed the following views:

(a) that they agree with the intention of the proposal that numerical limitations on the armed forces of all militarily important states is an essential element of any disarmament programme;

(b) that it is necessary and desirable in such limitations to make a distinction between the armed forces of the five major military powers and those of all other states;

(c) that Canada should be prepared to accept, as part of a general disarmament plan, the ceiling which the tripartite proposal would impose on Canadian armed forces (either less than one percent of the population or less than current levels); and

(d) that the numerical limitation of armed forces is but one aspect of the disarmament question and that the success of disarmament would be dependent upon the working out of a suitable formula for control.

2. According to the Chiefs of Staff, the present service strength in Canada, including active reserve forces and the RCMP, is 162,039. This is, however, well below the ceiling at present authorized for these forces, which is 231,454. Thus, in the event of general agreement on a one per cent ceiling, not only the authorized ceiling for Canadian forces but also the actual present strength would have to be reduced.

3. With these elementary points clarified, we are now in a position to examine with the Chiefs of Staff in further detail some of the important implications of the tripartite proposals, such as:

(a) the proportion of the various services within the permitted level of armed forces;

(b) the types and volume of supporting armaments; and

(c) the timing of the reductions of armed forces and conventional armaments and their relationship to the other essential elements of a comprehensive disarmament plan.

4. You will recall that one of Mr. Malik's criticisms of the tripartite proposal was that it should explicitly mention sea and air forces and should specify how the totals of the armed forces under this plan would be distributed among the three services. The three sponsoring powers have themselves been conscious of the need to tackle this aspect of the problem and have been consulting together with a view to formulating an agreement approach. As a result, a working paper, originally drafted by the United States, has now been agreed with the United Kingdom and France and was submitted to the Disarmament Commission on August 12 as a supplement to the tripartite proposal. It suggests that the questions of the composition of permitted armed forces and the types and volume of supporting armaments should be worked out by the following procedure of negotiation:

(a) the five permanent members of the Security Council would reach tentative agreement on these questions, to be reviewed in the light of the results of subsequent regional conferences;

(b) these regional conferences might then be held, to be attended by all governments and authorities having substantial military forces in each region, for the purpose of reaching similar tentative agreement;

(c) these agreements might subsequently be embodied in a draft treaty drawn up at a world disarmament conference which would provide also for all the essential components of the disarmament programme.

5. We are consulting the Chiefs of Staff on this supplement to the tripartite proposal and are asking them in particular to undertake a study designed, in the first place, to work out for the particular case of Canada the proportion of the various services and the types and volume of supporting armaments which might be acceptable if the numerical ceilings suggested in the tripartite proposals were applied to the Canadian armed forces. We are also suggesting that it might be possible to deduce from such a study whether some kind of practical formula or formulae could be devised for general application and, if not, what preparations would be necessary to the success of a solution by negotiation along the lines suggested in the tripartite supplement.

Relationship to Other Elements of Disarmament

6. There still remains the major problem of how to relate the balanced reduction and limitation of armed forces and conventional armaments to the other essential elements of a comprehensive disarmament programme and to ensure that all elements are implemented in such a way as to restore confidence and prevent in the process the development of any disequilibrium of power dangerous to international peace. This problem is of course at the heart of any serious attempt to implement the disarmament proposals so far put forward by the Western Powers and bids fair to subject Western policy to considerable strain in the future.

7. The problem is acknowledged in the tripartite supplement. In the final paragraph, it is stated that the initial limitations or reductions in armed forces and permitted armaments and the initial steps toward elimination of prohibited armaments should commence at the same time, and that subsequent limitations and reductions should be synchronized with subsequent progress in elimination of prohibited armaments. This process would be supervised by an international control authority which should be established prior to the initiation of the programme. Thus, it is concluded, when the limitations and reductions in armed forces and permitted armaments provided by the treaty or treaties are completed, production of prohibited armaments will have ceased, existing stockpiles of prohibited armaments and facilities for their production will have been disposed of, atomic energy will be utilized for peaceful purposes only, and the international control authority will have assumed its full functions.

8. This poses the problem clearly enough but I venture to suggest that, in doing so and thus inviting more concrete proposals for its solution, the tripartite supplement merely aggravates the dilemma already facing Western policy. This dilemma, as I see it, consists of the following combination of facts:

(a) that the Governments of the Western Powers cannot afford to ignore the increasing pressure of public opinion[99] in favour of an agreed programme of disarmament and particularly the prohibition and elimination of atomic weapons and other weapons of mass destruction;

(b) that at the same time the Western Powers have become increasingly dependent on the atomic weapon for preservation of their security against the threat of Soviet aggression; and

(c) that the Western Powers wish to make clear to the Soviet Government both directly and indirectly that, with the present strength of their atomic armaments, they would be able to render prohibitive the cost to the Soviet Union of any outbreak of general war.

9. Thus, to meet this pressure of public opinion (and to wrest the propaganda initiative from the Soviet Union), the Western Powers have publicly embarked on consideration of a comprehensive disarmament plan but, having done so, they do not feel able to commit themselves to a specific blueprint until they can have some assurance that the Soviet Government is prepared to go along. Yet retention by the Western Powers of the propaganda initiative itself depends on a readiness to fill in the whole disarmament plan with specific and concrete proposals. Nor, it should be added, is it likely that Soviet intentions can really be put to the test without such specific proposals. Moreover, without more specific proposals, it is likely to become increasingly difficult to retain the solidarity of delegations, such as the French and the Pakistan, which have drafted proposals for comprehensive disarmament treaties, have discussed them with friendly delegations but have so far been strongly discouraged from putting them forward formally.

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[99] Note marginale :/Marginal note:
? [L.B. Pearson]

10. The dilemma is well illustrated in a memorandum on possible future developments in the Disarmament Commission (copy of which is attached) which has been prepared by the United Kingdom Officials Committee on Disarmament, which is the body on the official level responsible for making policy recommendations to Ministers. You will see that this is a disconcertingly frank document. The emphasis throughout is on the propaganda aspects of disarmament, which the authors seem to regard as the sole purpose of the Disarmament Commission in the foreseeable future. It is regarded as fundamental that the Western Powers could not consent to forego their advantage in atomic weapons until a very late stage in any disarmament process and that, therefore, they should even avoid consideration by the Disarmament Commission of any concrete or substantive proposals for a firm programme, a time-table, or a draft treaty. The authors admit, however, that the propaganda advantage of the Western initiatives so far has been lessened by Soviet accusations that the proposals cover only those parts of a disarmament programme which are to the Western advantage. On the basis of the Official Committee's views, the United Kingdom has now drafted a working paper (copy of which is attached) suggesting the general framework of a comprehensive treaty (or treaties) on disarmament. This working paper has been approved by the United Kingdom Cabinet and their delegation in New York has been discussing with other Western delegations the advisability of submitting this paper to the Disarmament Commission for inclusion in its report to the Assembly. The preliminary reaction of other delegations is that it might be unwise to introduce the United Kingdom paper at this stage, since it might invite amendments which would be designed to make it more specific and which would therefore put the Western Powers on the defensive. Our delegation in New York has asked for our views on this point. Do you agree that, for the reasons given above, it would be preferable if the United Kingdom did not table its paper for the time being at least?[99]

Proposals for a New Approach

11. It seems to me that the Western Powers are likely to find themselves in an embarrassing position on the question of disarmament at the forthcoming session of the General Assembly unless some way is found out of the dilemma to which I have referred. The Disarmament Commission will shortly be preparing its report to the Assembly and this, from present appearances, will contain concrete proposals on only two of the essential elements of a disarmament programme (disclosure and verification and the reduction of armed forces) and a general suggestion that the reduction of conventional armaments should be the subject of negotiation. This will hardly suffice to meet the inevitable and damaging Soviet criticism that the Western Powers have no intention of discussing seriously the more sensitive aspects of disarmament. In this situation there is a real danger that the divergence of

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[99] Note marginale :/Marginal note:
France?
yes. [L.B. Pearson]

views which has already become apparent among the Western delegations in New York might widen and place a considerable strain on the Western alliance.[100]

12. A new approach is needed which would, as you have agreed, safeguard our security and at the same time enable positive proposals to be put forward which would test the sincerity of the Soviet Union. This, I suggest, might be found in a "horizontal" treatment of the constituent elements of a disarmament programme rather than the "vertical" treatment so far followed. Western planning has so far tried to cover separately each element (disclosure and verification, an international system of control, reduction of armed forces, etc.) throughout its implementation from the inception of the disarmament programme to the final stage. The drawbacks to this approach are obvious. Not only is it difficult, if not impossible, to foresee from the very beginning and make effective provision to meet every difficulty likely to arise throughout implementation of the disarmament programme, but each successive proposal loses a good part of its effectiveness because it covers only one segment of a problem which, by our own admission, must be dealt with as a whole.

13. My suggestion is that we should concentrate, to begin with, on a manageable "slice" of disarmament which would cut horizontally across all the aspects of disarmament and would thus embrace the first stage of all the essential elements of a disarmament programme. This "first slice" of disarmament should embody only as much or as little of each component element as would make a substantial beginning with the process of disarmament without endangering our security. Its contents would have to be so devised as to constitute *in toto* a reasonable balance of risks and safeguards for both the Western Powers and the Soviet bloc. It should include the following elements:

(a) the balanced reduction of armed forces (the tripartite proposal for the numerical limitation of armed forces might serve to cover this element of the "first slice");

(b) the balanced reduction of conventional armaments;

(c) the initial steps in the establishment of an effective international control of atomic energy to ensure the eventual prohibition of atomic weapons (for this purpose it will undoubtedly be necessary to re-examine the United Nations majority plan with a view to working out possible modifications of those provisions dealing with ownership and operation of facilities);

(d) the disclosure and verification of sufficient information on armed forces and armaments, including atomic weapons, to enable the "first slice" to be carried out (the first stage of the United States proposal on this subject might be adapted for this purpose); and

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[100] Note marginale :/marginal note:

Pakistan?
France?
? [L.B. Pearson]

(e) the establishment of an embryo international control organ with sufficient staff and authority to ensure the implementation of the "first slice".

14. On these questions we should of course have to obtain military advice before specific proposals could be formulated. We should have to ascertain, for example, how much information on armed forces and conventional armaments would be considered equivalent to an amount of atomic information which we could disclose without prejudicing our security. We should also have to establish with greater precision than has so far been attempted some criteria for measuring the proportion of services and the types and volume of supporting armaments to be permitted within the reduced levels of armed forces. The aim would be to produce for all these elements of the "first slice" proposals sufficiently concrete to enable negotiations to be initiated between the Western Powers and the Soviet bloc. If hard bargaining between those Powers resulted in sufficient agreement, this agreement could then be embodied in a treaty drafted by a world disarmament conference. When and if the "first slice" were successfully completed, further slices might be similarly negotiated and incorporated in the treaty.

15. It would of course be desirable, if the maximum propaganda advantage is to be derived from this approach, to include as a preamble to the proposals for the "first slice" a general statement of the ultimate objectives to be achieved upon completion of the whole disarmament programme. This preamble might in fact be presented as the draft of the main disarmament treaty, with the agreed contents of each "slice" of disarmament embodied in an annex to the main treaty. It need not include any commitments additional to those to which the Western Powers have already subscribed in the disarmament resolution of the last Assembly and the statement of principles proposed by the United States in the Disarmament Commission. But, in stating in concrete terms both the ultimate objectives of the disarmament programme and how its first stage is to be accomplished, the Western Powers should be in a position to answer effectively any propaganda counterattack that might be made.

16. This approach would seem to have the following advantages:

(a) it would deal comprehensively with a problem which cannot safely be tackled in bits and pieces;

(b) at the same time it would not involve any commitment to a complete time-table (such as the United Kingdom fears) and would not attempt to bite off in the first slice more than the Western Powers consider consonant with their essential security;

(c) it would also be sufficiently concrete to put Soviet sincerity to a real test and would give an opportunity for the growth of confidence before further slices were undertaken;

(d) it would cut the ground from underneath the Soviet accusation that the Western Powers are unwilling to deal with the sensitive parts of disarmament; and

(e) it would place before public opinion an initiative which should satisfy those who genuinely seek alleviation of the present international tension.

17. If you agree that this approach is worthy of further consideration, I would suggest that we communicate our preliminary ideas to our delegation in New York, with a request for their comments. Perhaps you would wish them, in formulating their comments, to discuss these ideas informally with the United States and United Kingdom delegations. At the same time we might ask the Chiefs of Staff to undertake studies along the lines suggested in paragraph 14 above. Such studies probably could not be completed in time to present a concrete proposal to the Disarmament Commission before it prepares its report to the Assembly but, if our ideas commended themselves to other friendly delegations, it might be possible to formulate a joint initiative for presentation to the Assembly itself.

18. Meanwhile, I think it might also be advisable, if you agree, to seek Cabinet approval for the preliminary views contained in paragraph 1 above on the tripartite proposal for numerical limitation of armed forces. So far our delegation in New York has expressed no views on the substance of this proposal in the Disarmament Commission. However, since they have been included in regular informal consultations with the three sponsoring delegations, it might be embarrassing if they did not give at least general support to the tripartite proposal before the end of this month, when the Commission plans to complete its report to the Assembly.

L.D. W[ILGRESS]

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306. DEA/50271-A-40

Le secrétaire d'État aux Affaires extérieures
au représentant permanent par intérim auprès des Nations unies

Secretary of State for External Affairs
to Acting Permanent Representative to the United Nations

TELEGRAM 332[101] [Ottawa,] August 22, 1952

SECRET

DISARMAMENT COMMISSION

Reference: Your teletype No. 498 of August 14.

Following from the Under-Secretary, Begins: We fully agree that Canada should not remain silent on the tripartite proposal for numerical limitations of armed forces. We have, as I intimated in my teletype No. 239 of June 23,† been giving careful consideration not only to the tripartite proposal itself but to the whole approach of the Western Powers to the problem of disarmament with a view to developing a point of view which:

(a) would be sufficiently moderate to claim the support of all the Western delegations and to minimize the divergence of views that has already been revealed among them; and

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[101] Le télégramme porte la mention :/Noted in telegram:
Repeat to Washington No. EX-1735.

(b) would at the same time be sufficiently positive to test the sincerity of the Soviet Union without endangering our own security.

2. Far from considering that the Western proposals so far put forward were too far-reaching, we have been concerned that they might not be adequate to achieve these objectives. We have therefore delayed instructing you on the tripartite proposals until we could study them further in the general context of a comprehensive disarmament programme.

3. Another concern has been with regard to timing. In spite of the major importance of this tripartite initiative, little attempt was made to exploit its maximum propaganda effect and the public attention it received was disappointing. It therefore appeared advisable not to express only general and preliminary comments during the desultory debate which followed presentation of the proposals but to wait until we could make a fairly concrete contribution to the Commission's report to the Assembly.

4. The Minister has now studied suggestions for a new approach to the disarmament problem and has agreed that you should discuss them informally with the United States and United Kingdom Delegations before they are developed further. The memorandum outlining our ideas will be sent to you by next bag. We realize that they can probably not be developed sufficiently to present a firm proposal to the Commission before it completes its report to the Assembly but if they commend themselves to other friendly delegations, it might be possible to formulate a joint initiative for presentation to the Assembly itself.

5. In the meantime, it would be desirable for you to express support for the tripartite proposal for numerical limitation of armed forces before the Commission's report is prepared. Cabinet Defence Committee will be giving consideration next Tuesday, August 26, to the following recommendations, in which our Minister and the Chiefs of Staff concur:

(a) that the Canadian Government agrees with the intention of the proposal, that numerical limitations on the armed forces of all militarily important states is an essential element of any disarmament programme;

(b) that the Canadian Government considers it necessary and desirable in such limitations to make a distinction between the armed forces of the five major military powers and those of all other states;

(c) that Canada would be prepared to accept, as part of a general disarmament plan, the ceiling which the tripartite proposal would impose on Canadian armed forces (either less than one percent of the population or less than current levels); and

(d) that the numerical limitation of armed forces is but one aspect of the disarmament question and that the success of disarmament would be dependent upon the working out of a suitable formula for control.

6. I should therefore be grateful if you would plan to make a statement along these lines to the Commission sometime after Tuesday and I shall let you know as soon as these views have been approved.

307. DEA/50271-A-40

Le sous-secrétaire d'État aux Affaires extérieures
à la délégation permanente auprès des Nations unies

Under-Secretary of State for External Affairs
to Permanent Delegation to the United Nations

LETTER No. 585 [Ottawa,] August 25, 1952

SECRET

DISARMAMENT COMMISSION

Reference: Our teletype No. 332 of August 23.

I attach a copy of the memorandum for the Minister, dated August 14, to which I referred in my teletype under reference and which contains suggestions for a new approach to the disarmament problem. As intimated in that teletype, the Minister has approved the recommendations made in paragraph 18. The question in paragraph 11 has now become academic but you may wish to know that the Minister said he agreed with the view expressed therein.

2. I should therefore be grateful if you would discuss informally with the United Kingdom and the United States Delegations the ideas put forward in this memorandum. I should emphasize that we have not as yet worked out the details of proposals which might be put forward along these lines but are rather seeking an approach which might provide an agreed framework for detailed proposals. If the suggested approach commends itself, it will of course involve intensive military study of the component parts before concrete proposals can be put forward. It is our thought, however, that such studies might be sufficiently advanced by the time the forthcoming session of the General Assembly convenes that the proposed approach might be submitted to the Assembly with the suggestion that the Disarmament Commission be instructed to pursue its work along these lines next year.

3. Naturally I should also be most grateful for any comments you yourself may wish to make on these ideas.

4. In the meantime, we are asking the Chiefs of Staff to undertake studies along the lines suggested in paragraph 15 of the attached memorandum. Copies of this memorandum have also been sent to our Embassy in Washington and Canada House, London, for their information.

L.D. WILGRESS

308. DEA/50271-A-40

Le secrétaire d'État aux Affaires extérieures
à la délégation permanente auprès des Nations unies

Secretary of State for External Affairs
to Permanent Delegation to the United Nations

TELEGRAM 336[102] [Ottawa,] August 27, 1952

SECRET

DISARMAMENT COMMISSION

Reference: My telegram No. 332 of August 22, 1952.

Following for the Under-Secretary, Begins:

1. Cabinet Defence Committee approved on August 26 views outlined in paragraph 5 of my telegram under reference. You should therefore express approval of the tripartite proposals along these lines at an appropriate opportunity.

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309. DEA/50271-A-40

La délégation permanente auprès des Nations unies
au sous-secrétaire d'État aux Affaires extérieures

Permanent Delegation to the United Nations
to Under-Secretary of State for External Affairs

LETTER No. 1202 New York, September 19, 1952

SECRET

DISARMAMENT COMMISSION — CANADIAN SUGGESTIONS FOR A NEW "APPROACH"

Reference: Our teletype No. 591 of September 18,† your letter D-585 of August 25 and your teletype No. 348 of September 4.†

1. In my teletype under reference I reported briefly on the rather discouraging replies of the United Kingdom and United States Delegations to our suggestions for a new approach based on the idea that the General Assembly might ask the Disarmament Commission to develop a "first slice" of a comprehensive disarmament programme. In this letter I should like to explain in greater detail the views of the United States, United Kingdom and French Delegations, and what we think might be done, along the lines you have in mind, to improve our position in the General Assembly's debate on disarmament and prepare for the work of the Disarmament Commission next year.

2. In our discussions with other delegations here, we have been using the somewhat abbreviated version of your memorandum of August 14 which we

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[102] Le télégramme porte la mention :/Noted in telegram:
Repeat to Washington as EX-1745.

circulated to the United Kingdom, United States and French Delegations on September 5. It will therefore be more convenient for me to take this memorandum as the point of departure in reporting our talks. Copies of our memorandum of September 5[†] are attached, together with copies of my explanatory letter which was based on your letter No. D-585 of August 25 and the final paragraph of your memorandum of August 14.

French Comments

3. Shortly after receiving my letter of September 5 Mr. Francis Lacoste, the Deputy French Representative, had to return to Paris for consultations and we have therefore been discussing your ideas mainly with Mr. Tiné. The Quai d'Orsay are reluctant to go into details until Mr. Moch returns to Paris from the provinces at the end of this month. However, neither the French Delegation here nor the Quai d'Orsay seem to be in any doubt that Mr. Moch will welcome the initiative which we have taken. As Mr. Tiné says, it is not a very big step but, from Mr. Moch's point of view, a step in the right direction. When the French Government receive the report of their experts, Messrs. Perrin and Goldschmidt, on their discussions in Washington last week (Mr. Wrong's letter No. 2016 of September 16)[†] they will realize that anything further that Mr. Moch may wish to do in pursuing the ideas he has been advancing in the Disarmament Commission and privately in New York, would have to be put forward without any support from the United Kingdom and United States Governments. Mr. Arneson's parting words to Mr. Tiné in Washington were, "Don't let's try to do too much at this session of the Assembly."

4. We shall no doubt receive further comments from the French Delegation early in October, but I think we can take it that they are well disposed towards our new approach and may indeed wish to go somewhat further than we are suggesting.

United Kingdom and United States Comments

5. We have now had several conversations with members of the United Kingdom and United States Delegations whose views are sufficiently similar to be able to discuss them together. As I have said in my teletype under reference, their reaction is distinctly discouraging. They are glad we have been thinking about these matters seriously and hope that we will not drop our studies of the problem. At the same time they agree with our analysis of the dilemma in which the disarmament discussion in the General Assembly and subsequently in the Disarmament Commission will place the Western Powers, though they think our present position will be easier to defend than we fear. Their main disagreement with us is the idea of concentrating on a first slice of a comprehensive disarmament programme almost to the exclusion of the later stages and certainly before, as I understand it, general agreement on the later stages has been reached. Whether we foresee the possibility of putting the early stages of a disarmament programme into effect before the later stages have been worked out and agreed in detail, or whether we are thinking only of concentrating in our discussion on the first slice, both the United Kingdom and

United States Delegations doubt whether this approach would improve our propaganda position or advance agreement.

6. In the first place, looking at our suggestion from the Soviet point of view, no amount of work on a first slice alone will overcome the fundamental Soviet objection that the West is only interested in collecting intelligence data and not in prohibiting weapons of mass destruction which we reserve for some final, and, they say, never-to-be-reached stage. They maintain — and Mr. Malik has re-emphasized this point in his latest statements in the Disarmament Commission — that, "without an immediate and unconditional prohibition of the atomic weapon and without the institution of strict international control of the observance of that prohibition, any talk about the reduction or limitation of armed forces and armaments would be hollow and fruitless." (Disarmament Commission verbatim record of August 29.) By the same token, the U.S.S.R. would not be interested in discussing a comprehensive first slice, even including atomic control elements, until we had agreed to a prohibition of atomic weapons to come into effect simultaneously with the commencement of effective international control. The first slice would presumably include, under the present United States working paper on disclosure and verification, only an exchange of information on the least sensitive areas relating to atomic energy (an exterior examination of Hanford and Oak Ridge). A proposal to concentrate on a first slice would help to confirm Soviet suspicions that we never intended to go beyond it.

7. From the point of view of the United Kingdom and United States Governments, a first slice, taken by itself, would also be unacceptable. They would want to know the end of the process, beginning with the first slice, before they could agree to the initial stages. As Mr. Cohen told me sympathetically, he had also tried to discover some part of the whole, complex structure of a disarmament programme which could be separated and put into effect at once in order to develop the mutual confidence which would be necessary if the further steps in a comprehensive programme were to be agreed and put into operation. He had, however, been convinced by the Chiefs of Staff and others in Washington that it was impossible to isolate one part of the whole in this way. Although he had been thinking of a "vertical" slice (no doubt a separate plan for the reduction of armaments and armed forces), he thought the same difficulty would apply to our "horizontal" slice covering the first stage in time of the operation in a comprehensive programme. In order to attract the Soviets, he thought, we would have to go much further than his Government was prepared to go in present circumstances.

Comments on Detail

8. I should now like to mention more detailed comments made by U.S. and U.K. Delegations on the particular elements which our paper suggests should be included in the first slice (paragraph 5 in the Delegation memorandum and paragraph 14 in your memorandum).

a) Balanced reduction of armed forces: There was no disagreement with our suggestion that the tripartite proposal for the numerical limitation of armed forces might serve to cover this element of a first slice.

b) Balanced reduction of conventional armaments: Although it was agreed that the supplementary tripartite proposals were rather vague and thin on this point, neither the United States nor United Kingdom Governments are prepared to be more specific in developing this part of a comprehensive programme, even in its first stages, until there is more indication from the Soviet side that they are prepared to discuss the tripartite ceiling proposals seriously. Mr. Cohen has told us that the chief reason for the reticence of his Government on this score is the obvious difficulty in reaching agreement among the armed services as to the respective shares each would have of the forces and armaments to remain under permitted ceilings.

c) Revision of initial steps in the atomic energy control plan: This element is, as you know, being re-examined by the United States Panel of Consultants, the Inter-Departmental Committee of officials in London, and, we understand, a corresponding body which is being constituted in Paris. No one will have concrete ideas ready in time for the Assembly and the United Kingdom and United States Delegations are reluctant even to suggest during the Assembly that the majority plan may be revised, although they are willing to say that the whole problem of correlating elements in a disarmament programme is being examined by experts. We gather from the United Kingdom Delegation that the Oppenheimer Panel of Consultants has so far done very little and is not likely to produce a serious, detailed study comparable to the Acheson-Lilienthal Report. In view of all the circumstances, domestic and international, which have, I think, been well developed in Mr. Ignatieff's memorandum enclosed with Mr. Wrong's letter No. 1956 of September 4,† it would not be realistic for us to expect support from either the United Kingdom or United States Governments in developing this item unless there were a major break in the international situation.

d) Disclosure and verification: Although the United States Mission would, of course, be happy to see their working paper on this subject accepted as covering the first stage requirements, the United Kingdom Government, and no doubt others including the French, would have serious reservations, particularly on such aspects as the insistence on almost unrestricted aerial surveys in the first stage. I should imagine it was not consistent with our principle of a balance of risks and safeguards on both sides to ask the Soviet Union to accept aerial surveys in exchange for the opportunity to look at Oak Ridge and Hanford from the outside; and yet that is virtually what the first stage of the United States proposals on disclosure and verification call for in regard to atomic energy.

e) International control organ: I think there is general agreement that this is one of the elements which the Disarmament Commission should examine next year. Certainly the French Delegation hope that, in the early stages at least, it might, upon examination, prove possible to achieve an adequate degree of control over atomic and other aspects of the programme through "inspection only". In this way it would be unnecessary to raise the issue of ownership until the later stages, if at all.

Our next step

9. Although, as you can see, a certain amount of cold water has been poured upon our proposals by the United Kingdom and United States Delegations, I do not regard the effort put into developing our proposals as wasted and I am sure that neither the United Kingdom nor the United States Delegations would wish to discourage us from pursuing our serious and more detailed studies of this subject. I suggest that there are two conclusions from our talks here:

a) no detailed proposals can be developed in time for this session of the General Assembly;

b) it is highly desirable, both from the point of view of strengthening our position in the propaganda field and from the point of view of keeping open the door for serious negotiations, that we continue to stress the need for developing a comprehensive disarmament programme.

10. I think we shall have achieved something constructive for the disarmament debate during the General Assembly and for the work of the Disarmament Commission next year if we succeed in having included in the resolution presented to the General Assembly a direction to the Disarmament Commission to develop a comprehensive programme, i.e. to fill in the gaps in this year's work. This may not be as easy as it would at first appear, as I understand from Mr. Cohen that there is some reluctance in Washington to going even this far. I am reasonably sure that the United Kingdom Government would agree as, of course, would the French Government.

11. Since you have asked for my own comments as well, I think that we should not drop our idea of concentrating the work of the Disarmament Commission on a first slice, but should expand that idea along the lines of paragraph 7 in our memorandum and paragraph 16 in your memorandum. It is quite clear that unless the Soviet Government change their position radically, they will insist on some kind of "decision" being taken concerning the prohibition of weapons of mass destruction before they agree to any kind of international control or inspection or disclosure. Could not the general statement of objectives, to which you refer in this paragraph be developed in the form of a preamble to a draft agreement which would necessarily go into greater detail on the first slice than on subsequent stages? This proposal would, in fact, amount to an attempt to take the Soviet formula — which is so far nothing more than a formula — and put Western content into it. The deadlock in the Disarmament Commission during the past year has arisen because Mr. Malik has been insisting on what he calls a "decision" and refusing to discuss the detailed content on *how* such a decision would be implemented, while Western representatives have consistently shied away from any kind of a "decision" until the "how" had been agreed in detail. Surely it should not be

completely impossible to combine these so far irreconcilable approaches to the problem, at an auspicious time.

Timing

12. The rub, as always, is *when* to take a new initiative, when to offer some concessions. Until there is a truce in Korea, there seems very little point in trying to develop a new approach or new concessions. But on the assumption that there may be a truce at any time or some other break which would favour the presentation of new proposals, we should, I believe, continue in the closest consultations with our friends to try to work out the details of a new approach of some kind. In this process, I hope that Canadian thinking will play some part.

DAVID M. JOHNSON

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310. DEA/8508-40

Extrait du procès-verbal de la réunion des chefs de direction

Extract from Minutes of Meeting of Heads of Division

CONFIDENTIAL Ottawa, September 29, 1952

THE UNITED NATIONS

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U.N. Disarmament Commission

2. *Mr. Wershof.* It is expected that the Disarmament Commission will this week adopt its report to the forthcoming session of the General Assembly. This report, which will be in greater detail than the interim report which was submitted on June 1, will contain a comprehensive summary of the work of the Commission since its establishment by the Assembly last January. It will not attempt to draw any conclusions or to make recommendations since no agreement was reached on any of the substantive matters discussed. It will, however, bring out fairly clearly the particularly negative and obstructive attitude of the Soviet Delegation. Our Delegation in New York has been instructed to support its adoption. The present intention of the Western Powers is not to make any effort to dramatize the disarmament debate in the Assembly but merely to use the Commission's report to demonstrate the contrasting attitudes of the Western and Soviet Delegations. A simple resolution may then be introduced instructing the Commission to continue its efforts to develop a comprehensive disarmament programme.[103]

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[103] La Commission a déposé son rapport le 3 octobre 1952. L'Assemblée générale a examiné le rapport en mars 1953.
The Commission submitted its report on October 3, 1952. The report was considered by the General Assembly in March, 1953.

311. DEA/50271-A-40

Le secrétaire d'État aux Affaires extérieures
au chef de la délégation à l'Assemblée générale des Nations unies

Secretary of State for External Affairs to Chairman,
Delegation to the General Assembly of the United Nations

TELEGRAM 1 [Ottawa,] October 15, 1952

SECRET. IMPORTANT.

DISARMAMENT DEBATE IN THE GENERAL ASSEMBLY

Following from the Under-Secretary, Begins: I thought that it might be useful to prepare for the Minister a memorandum summarizing our thoughts on how the subject of disarmament might be treated at the Assembly in the context of East-West relations. However, this memorandum was not ready in time to hand to the Minister before his departure and I am therefore sending it in my immediately following teletype. Ends.

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312. DEA/50271-A-40

Le secrétaire d'État par intérim aux Affaires extérieures
au chef de la délégation à l'Assemblée générale des Nations unies

Acting Secretary of State for External Affairs to Chairman,
Delegation to the General Assembly of the United Nations

TELEGRAM 2 [Ottawa,] October 15, 1952

SECRET

DISARMAMENT DEBATE IN THE GENERAL ASSEMBLY

Reference: My immediately preceding teletype.

Following is text of memorandum for the Minister, Begins: It is the view of the Western Delegations on the Disarmament Commission, as reported by our Delegation in New York, that no attempt should be made to dramatize or enlarge the scope of the disarmament debate this year. With this I think we would agree. There would be a real danger, in any attempt by the Western Powers to launch a propaganda offensive on the disarmament issue, that the debate might reveal during its course the fundamental dilemma with which Western policy is faced on this question.

2. As you well know, the view is held in some quarters that the maintenance by the Western Powers of their present overwhelming superiority in atomic weapons and their ability to apply those weapons swiftly and accurately constitute the main deterrent to Soviet aggression and the main hope for containing such aggression, if it should occur. A logical corollary of this view is that the Western Powers should do nothing to restrict either the use of the atomic weapon itself, if the need arises, or the threat of its use, and that they should indeed make clear to the Soviet Government their ability to render

prohibitive the cost to the Soviet Union of any outbreak of general war. At the same time, however, little or no effort has been made to acquaint public opinion in the democratic countries with this approach to the disarmament problem. On the contrary, the Western Powers have attempted to meet the widespread public sentiment in favour of disarmament, and particularly of the prohibition and elimination of weapons of mass destruction, by committing themselves to consideration of a comprehensive disarmament plan. Thus, while on the one hand they have become increasingly dependent on the atomic weapon for the preservation of their security against further Soviet expansion, the Western Powers face on the other hand loss of the propaganda initiative unless they are ready to fill in the whole disarmament plan with specific and concrete proposals.

3. It is most desirable that this dilemma should be concealed from the Assembly. If, however, the Soviet Union attempts to link the disarmament issue with the theme of "peaceful co-existence" in a general propaganda offensive, we are, I think, in a position to make an effective reply. I would therefore suggest that, as a matter of tactics, we should not raise the disarmament question in our speech during the general debate but should wait until we can see what line the Soviet representative in the Political Committee intends to take on the disarmament item. If he attempts to enlarge the debate on that item, our reply should then be aimed primarily at exposing the intransigence of the position so far taken by the Soviet Union on disarmament, while at the same time making clear our readiness to examine any reasonable proposals that are made. It should also emphasize that the continued refusal of the Soviet representative in the Disarmament Commission to discuss seriously the proposals so far submitted by the Western Powers may jeopardize the further development of these proposals into a comprehensive disarmament plan.

4. The record of the Disarmament Commission can be used to good effect in pointing the contrast between the Soviet and Western attitudes to date, without entering into a sterile discussion on the details of the proposal already submitted to the Commission. When it commenced its substantive work, the Commission had before it certain principles which the Sixth Session of the Assembly had drawn up for its guidance and which were based on the disarmament resolution submitted to that session by France, the United Kingdom and the United States. It also had referred to it the Soviet counter-proposals, which contained such phrases as "a decision proclaiming the unconditional prohibition of atomic weapons", " strict international control", "complete official data on armaments and armed forces", etc. So far the Western Powers have submitted to the Commission six working papers designed to elaborate in some detail their concept of how the Assembly's principles should be implemented. The Soviet Delegation, on the other hand, has tabled no such working papers and has stubbornly refused to reply to detailed questions concerning the original Soviet proposals until there is "agreement on principles" (i.e., until the Commission first takes a "decision" on the unconditional prohibition of atomic weapons). At the meeting on April 4

of Committee 1 of the Commission, the Canadian representative asked again the questions which Mr. Vishinsky had left unanswered when they were put by the leader of the Canadian Delegation on January 16, 1952, in the First Committee of the Assembly. The Soviet representative, Mr. Malik, brushed these questions aside with the suggestion that the flood of identical questions concerning the Soviet proposals indicated a conspiracy among the questioners to avoid discussion of the substance of those proposals.

5. Moreover, the Soviet Delegation has missed no opportunity to inject blatant propaganda into the Commission's deliberations. He has tried repeatedly to distract the Commission from its proper functions by raising charges of the use of bacteriological warfare by United Nations forces in Korea.

6. The Soviet representative has also declined either to discuss seriously the substantive proposals so far put forward by the Western Powers or to submit amendments or alternative proposals. His only excuse for this behaviour has been his repeated claim that the essence of the Western proposals is the disclosure by other states of information on armaments and armed forces and the concealment by the Western Powers of information on the atomic bomb and secret weapons. Not only is this untrue (the United States working paper on disclosure and verification applies to both atomic and non-atomic information) but the Soviet representative himself has ignored every invitation to submit details of a more acceptable plan. If the Soviet Union did not consider that the Western proposals contained a balance of risks and safeguards as between the disclosure of atomic and non-atomic information, it was open to the Soviet Union to produce proposals that would. What the Soviet Union could hardly deny was that prohibition and reduction could not be enforced unless there was verified information on what was being prohibited and reduced.

7. In these circumstances, refusal by the Soviet Union to discuss the detailed problems of disclosure and verification and Soviet insistence on the undefined principle of "non-interference in the domestic affairs of states" can only be interpreted as unwillingness to co-operate in establishing an open and substantially disarmed world, and this attitude might be related, as part of the pattern of all-pervasive totalitarian state control, with the Soviet refusal to allow any freedom of movement whatever either across its borders or within them. In this way the Soviet attitude on disarmament could be linked with Stalin's pronouncements concerning the division of the world into hostile camps. Because the dialectical interpretation of current international affairs sees the world in terms of a permanent irreconcilable division between the Communist and non-Communist states, the Soviet Government is apparently not prepared to embark seriously on the kind of co-operative effort which a comprehensive and effective disarmament programme would entail.

8. In taking such a line we should, I think, be careful to avoid the danger of exposing ourselves to similar criticism by giving the impression that we are not prepared to make any further efforts in developing a comprehensive disarmament plan unless the Soviet Union changes its attitude. The temptation

to do this will be great in view of the dilemma which I have described above. The longer the Soviet Union maintains its intransigent attitude the more willing the United States and the United Kingdom become to retreat from their original position of being in favour of the prohibition of the atomic bomb. This tendency seems to me to be both unreasonable and dangerous. I cannot for my own part see any objection to our stating plainly that our objective is the same as what the Soviet Union claims is its objective, namely, the prohibition and elimination of atomic weapons and weapons of mass destruction and the reduction of armaments and armed forces, but that, whereas we are prepared to discuss seriously and in detail how we might arrive at that objective, the Soviet Union has so far refused to do so. There may be valid objections to making such a statement at this juncture. However, I think the least we can do is to make clear our determination to push ahead with our efforts to develop the proposals already put forward into a comprehensive disarmament plan on the basis of the principles drawn up by the previous Assembly. We could in addition emphasize that, if the Soviet Union does not desire the development of such a disarmament plan, the most effective way to hinder its development is to convince the Western Powers that it will continue to treat all their proposals with the same contempt they have so far received. Message ends.

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313. DEA/50271-A-40

Extrait du procès-verbal de la réunion du Comité interarmes des projets

Extract from Minutes of Meeting of Joint Planning Committee

38/52-2 [Ottawa,] October 21, 1952

SECRET

UN DISARMAMENT COMMISSION
(CSC 1644-1 (JPC) 16 Oct. 52 and JPC minutes 34/52-2 refer)

. . .

2. *The Committee* considered a draft JPC report to the Chiefs of Staff Committee prepared by the JPS as requested. This report recommended that consideration be given to the creation of an interdepartmental Committee and a Joint Working Party to provide Canadian views on disarmament matters.

3. *The A/Chairman*[104] felt that before establishment of special machinery for handling disarmament matters was made the subject of recommendations, the principle that Canada should undertake an extensive part in the work of the Disarmament Commission should be established as Government policy. This was not a matter for JPC comment or recommendation. He noted that establishment of such an organization as was indicated in the draft report under consideration was a serious matter for the Services since, owing to recent expansion, it was becoming increasingly difficult to provide trained and

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[104] Note marginale :/Marginal note:
Doug Gibson.

experienced officers to meet all needs. It appears that the first thing to establish was the importance of more extensive Canadian participation in the work of the Disarmament Commission as compared with current activities of the Services. The degree of effort that should be put forth in the Services to assist in disarmament studies could then be assessed in the light of approved Government policy and External Affairs could then make recommendations as to what machinery was needed.

3. *The External Affairs representative* remarked that Canada was the only permanent member of the Disarmament Commission besides the permanent members of the Security Council and that it was Canadian policy to carry a fair share of the work. His department now felt that Canada should do more than in the past and for this reason military advice had been sought for the formulation of Canadian views on disarmament questions. Through the JPC, Chiefs of Staff views had been received on two previous occasions. However, when military views had been sought on a new approach to the disarmament problem which was being formulated by External Affairs, it had been the JPC view that the production of military views on that paper would be beyond the capacity of the present JPS not only because of the amount of continuous work involved, but also because of other tasks now being done by the JPS. As a result the report now before the Committee had been prepared with a view to providing an adequate organization for dealing with problems as they arose. *The External Affairs representative* observed that his department was not by any means bound to follow through with the approach which had occasioned the present concern over the amount of work involved, but he felt that there was a definite need for adequate consideration to be given to all phases of the work of the Disarmament Commission, including the plans put forward by other nations, and this required military advice. He appreciated the personnel problems but felt that the tasks would not require a full time working group.

4. *The A/Chairman* observed that the report under review was not clear as to whether the working party was to be a full time organization. In any event he felt that initially it would have to operate on a full-time basis for a considerable period. Should it develop that the military staff required augmentation to do the work, the fact that the vacancies for a second JPS team might be filled to meet the need should be considered.

5. *The Air Force member*[Group Captain Coleman] stated that it was his understanding that the organization proposed in the JPC report was being considered so that the new approach recently put forward by External Affairs could be studied with a view to making a detailed and extensive military contribution to the scheme. However, if that was not now the immediate concern, it would perhaps be preferable for External Affairs to put forward the implications of increased participation in the work of the Disarmament Commission and obtain a decision as to what scale of effort should be devoted to this work.

6. *The Committee*, after a further exchange of views, agreed that the Secretary should draft a reply to the letter of the Under-Secretary of State for External Affairs dated 9 Aug 52.† This letter should point out that to produce

comments of value an appropriate military staff would have to work full time for at least a considerable period. Although the UK and the US have formidable machinery for dealing with disarmament matters, such is not the case with Canada, and the present Service organizations are not adequate to undertake tasks additional to present commitments. Owing to the recent expansion of the Services, it has become increasingly difficult to produce staff officers with the training and experience necessary for the type of tasks under consideration, without serious implications for current service commitments. It is therefore suggested that these implications be brought to the attention of the Government and that in their light a decision be sought as to the importance of the disarmament studies proposed in relation to our existing military commitments. Then, if the Government so directs, the creation of an adequate organization could be investigated.

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314. DEA/50271-A-40

Extrait du procès-verbal de la réunion du Comité interarmes des projets

Extract from Minutes of Meeting of Joint Planning Committee

39/52-3 [Ottawa,] October 28, 1952

SECRET

U.N. DISARMAMENT COMMISSION

(CSC 1644-1 (JPC) 16 Oct. 52 and JPC minutes 38/52-2 refers)

. . .

6. *The Secretary* reported that a memorandum from the Secretary Chiefs of Staff Committee had been received as follows:

"The Chairman, Chiefs of Staff does not consider that it would be appropriate to forward the draft letter attached to your memorandum of 23 October, 1952 to the Department of External Affairs.† He has directed that the Joint Planning Committee prepare a report outlining the requests concerning disarmament proposals which have been received from the Department of External Affairs and also containing recommendations as to the manner in which military advice on this subject should be provided.

Your report should include consideration as to the type of machinery which should be established and to the means of providing any personnel which are required. It would be well to include consideration as to whether personnel need be full or part-time."

The Vice Chiefs of Staff Committee are being asked to discuss your report and to make recommendations for Chiefs of Staff consideration as to how this matter should be handled.

It is requested that the Joint Planning Committee prepare a report along the lines outlined above."[105]

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[105] Note marginale :/Marginal note:
see minutes of 38th meeting particularly para 6.

7. *The Committee* after further discussion agreed that the JPS be directed to prepare a report for the Vice Chiefs of Staff[106] taking into consideration the views expressed by the Chairman, Chiefs of Staff, and that the Committee further agreed the report should emphasize the necessity of the proposed working party being a separate entity from the Joint Planning Staff, and that such working party should be afforded the necessary arrangements for liaison with appropriate Service Directorates, to keep them informed of current military plans.

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315. DEA/50271-A-40

Procès-verbal de la 27^e^ réunion du Comité des vice-chefs de l'état-major

Extract from Minutes of 27th Meeting of Vice Chiefs of Staff Committee

SECRET [Ottawa,] December 11, 1952

. . .

II—U.N. DISARMAMENT COMMISSION, CANADIAN MILITARY VIEWS ON REDUCTION OF ARMED FORCES AND ARMAMENTS

2. *The Committee* had for consideration a report prepared by the Joint Planning Committee in the light of a memorandum submitted to the Chiefs of Staff by the Department of External Affairs, requesting military views on a suggested new approach for the UN Disarmament Commission.

The Joint Planning Committee report recommended that:

(a) if it were decided that Canada should take a more active role in the UN Disarmament Commission, inter-departmental machinery should be set up to provide adequate guidance for the Canadian Delegate, and suggested in Appendix "C" of the report, interim machinery for the formulation of Canada's disarmament policy;

(b) until such time as a proper organization has been established to handle the disarmament problem, no attempts should be made to give military views on the proposal put forward by the Department of External Affairs.

(CSC 1644-1 (VCS) of 14 Nov 52)

3. *The Acting Vice Chief of the General Staff* said that before approving the establishment of machinery to handle disarmament problems, it was considered necessary to obtain the views of the Chiefs of Staff as to the extent to which Canada should participate in disarmament matters. The Services were concentrating on a build-up of forces, and Canada's active participation could have a popular appeal throughout the country which would possibly affect adversely the build-up program of the Services.

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[106] Note marginale :/Marginal note:
this will be ready for JPC's next meeting (Nov. 4). J.M. C[ook]

4. *The Coordinator, Joint Staff,* said that the Department of External Affairs had referred several problems to the Services during the past year for military views. These problems had been dealt with by the Joint Planning Committee on an *ad hoc* basis. Although existing staffs were adequate to deal with disarmament problems, it was desirable to allocate the responsibility to a particular group who were in the position to devote their full time for a limited period. Moreover, having all disarmament problems dealt with by the same group should ensure continuity of thought on these problems.

5. *The Representative of the Under-Secretary of State for External Affairs* said that it was the view of his Department that inasmuch as Canada was a member of the Disarmament Commission, she should be prepared to play her full part. Not only should Canada put forward new ideas, but she should be in a position to make sure that suggestions put forward by others were technically sound. It was fully appreciated that there was little prospect of any increased Canadian participation accomplishing much, but there was great propaganda value in active Canadian participation.

Past problems on disarmament which had been forwarded for military views had been dealt with adequately, and although the Department of External Affairs' suggested new approach to the disarmament problem would entail a great deal of work, it was felt that the present machinery was adequate to deal with it.

6. *Brigadier Gibson* said that if the Chiefs of Staff agreed to give wholeheartedly to Canada's participation in the affairs of the Disarmament Commission, it was important that Service representatives on an inter-departmental committee be fully conversant with Service programs and activities. Therefore, the suggestion that the Service representation be at the Colonel level was of doubtful value, as they would be required to clear their views with higher authority prior to putting them forward in an inter-departmental committee.

7. *Commodore Rayner* suggested that the Service Members of the Joint Planning Committee represent the Services on the inter-departmental committee. A second team to the Joint Planning Staff was in the process of being formed; this team could form the military working party on disarmament.

8. *The Vice Chief of the Air Staff* said that Canada's active participation in disarmament problems required careful consideration and agreed that the Chiefs of Staff should express their views as to whether Canada should participate in disarmament problems and indicate the extent of this participation. The Joint Planning Committee should be asked to prepare a paper for the Chiefs of Staff pointing out the implications of Canada's participation in disarmament problems and making recommendations as to the extent Canada should participate. This paper should deal with the broad aspects of the problem and should not refer to the Department of External Affairs' proposal, or go into the detail of machinery to effect military participation.

9. *It was agreed* after further discussion:

(a) that the Joint Planning Committee would report to the Chiefs of Staff Committee[107] on the implications to the armed services of Canada's participation in disarmament problems and recommend the extent to which Canada should participate;

(b) that if the Chiefs of Staff Committee approve of Canada's full active participation in the affairs of the Disarmament Commission, an interdepartmental committee reporting to the Cabinet Defence Committee should be formed. Service representation on this committee should be drawn from the Service Members of the Joint Planning Committee or their representatives. The Joint Planning Staff should furnish the Service Representatives on the working level.

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316. DEA/50271-A-40

Extrait du procès-verbal de la réunion du Comité interarmes des projets

Extract from Minutes of 47/52 Meeting of Joint Planning Committee

47/52-3 [Ottawa,] December 23, 1952

SECRET

II—U.N. DISARMAMENT COMMISSION
PROVISION OF CANADIAN MILITARY VIEWS
(CSC 1644-1 (JPC) 19 Dec 52 refers)

. . .

4. *The Committee* noted that the Vice Chiefs of Staff Committee at its 27th meeting 11 Dec. 52 had considered the above subject and agreed that the JPC should report to the Chiefs of Staff Committee on the implications to the armed services of Canadian participation in disarmament problems. In the light of this report if it is considered that special machinery to deal with disarmament problems is required, the Vice Chiefs of Staff agreed that an interdepartmental committee reporting to the Cabinet Defence Committee should be formed. Service representation on this committee should be drawn from the service members of the JPC or their representatives and the JPS should furnish the service representatives on a working level.

5. *The Committee*, after discussion, agreed that the JPS should prepare a JPC report on the implications to the armed services of Canada's participation in the disarmament problem.[108]

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[107] Note marginale :/Marginal note:
draft circulating for JPC approval.

[108] Note marginale :/Marginal note:
will be discussed at next meeting JPC (Jan. 13).

317. DEA/50271-A-40

Note de la IIe Direction de liaison avec la Défense pour le sous-secrétaire d'État adjoint aux Affaires extérieures[109]

Memorandum from Defence Liaison (2) Division to Assistant Under-Secretary of State for External Affairs[109]

SECRET [Ottawa,] December 26, 1952

The Joint Planning Committee discussed the item on the United Nations Disarmament Commission on the basis of the Vice Chiefs minutes as amended. Both the discussion and the conclusion were confusing. It is obvious that the Service people would like to keep away from this subject, emphasizing its complexity and the time that would be involved in studying it. I explained that if the Department of National Defence wished to express the view that it could give no military advice, we would be glad to have that answer at the earliest possible date. It appears, however, that this simple answer does not appeal to them. The question has been referred to the JPS without any definite guidance except that they are to assess the advantages and disadvantages from a military point of view. Commodore Rayner spoke to me after this futile conversation and expressed the view that it was necessary to set up an ad hoc committee and that until this was done it was quite impossible to know what might be required or what the Services could produce. This is the only sensible statement made so far and I hope that the matter can be worked out that way.

[G.DET GLAZEBROOK]

PARTIE 7/PART 7

OFFICE DE SECOURS ET DE TRAVAUX DES NATIONS UNIES POUR LES REFUGIÉS DE PALESTINE (UNRWAPR)

UNITED NATIONS RELIEF AND WORKS AGENCY FOR PALESTINE REFUGEES (UNRWAPR)

318. DEA/8508-40

Extrait du procès-verbal de la réunion des chefs de direction

Extract from Minutes of Meeting of Heads of Division

UNCLASSIFIED [Ottawa,] January 28, 1952

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Assistance to Palestine Refugees

7. *Mr. McInnes.* On the recommendation of the Ad Hoc Political Committee the General Assembly, on January 26, adopted a resolution jointly sponsored by the United States, the United Kingdom, France and Turkey, which endorses a new plan for the relief and rehabilitation of Palestine refugees submitted by

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[109] R.A. MacKay.

Mr. John Blandford, Director of the Relief and Works Agency for Palestine Refugees. The plan envisages the expenditure of $50,000,000 for relief and $200,000,000 for re-integration, over and above such contributions as may be made by local governments, and is to be carried out over a period of approximately three years starting as of July 1, 1951. UNRWA is to explore with the Arab Governments concerned the desirability and practicability of transferring the administration of relief to these Governments at the earliest possible date. The Arab Governments gave their support to the plan on humanitarian grounds and because it did not prejudice the right of refugees to ultimate repatriation and compensation. The resolution was adopted by 47 votes in favour, 0 against and 7 abstentions (Burma, Byelo-Russia, Chile, Czechoslovakia, Poland, the Ukraine and the U.S.S.R.). While supporting the resolution, the Canadian Delegation specifically reserved the Canadian position on the financial aspects of the plan.

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319. DEA/10170-C-40

Note de la Direction des Nations unies[110]

Memorandum by United Nations Division[110]

[Ottawa,] February 7, 1952

CANADIAN CONTRIBUTION TO UNRWAPR

Mr. Scott and I discussed this afternoon the letter of January 28, 1952 from the Chairman of the Negotiating Committee for extra-budgetary funds requesting the Canadian Government to be prepared to pledge a contribution to the agency for the year 1951-52 when the committee re-convenes in New York in mid-February. The following conclusions were reached:

(a) It would be desirable that Canada make some contribution;

(b) A well documented memorandum in justification of a Canadian contribution will have to be submitted to the Department of Finance;

(c) In preparing this memorandum the views of the European Division on the political aspects of the matter, and of the Economic Division on the economic aspects of the relief and rehabilitation plan to be carried out by the agency in the course of the next three years, should be sought;

(d) Consideration should be given to the possibility of using the formula suggested some time ago by Mr. Reid for a small token Canadian contribution which would be increased in a given proportion according to amounts pledged by other countries in a political and geographical position vis-à-vis the Near East comparable to Canada's.

2. Mr. Scott then telephoned Mr. Reid to obtain guidance on the timing and procedure for this operation. Mr. Reid agreed with the above. He thought, however, that we should wait until the Minister returns to Ottawa towards the

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[110] Note marginale :/Marginal note:

Mr. [J.E.G.] Hardy — see my note. S.M. S[cott] end of this month before making a submission to the Cabinet. In the meantime, we should do all the preparatory work and consult with Finance on the official level once the departmental position has been established. We might also keep our representative on the Negotiating Committee informed of official thinking so as to facilitate his work.

3. Mr. Hardy telephoned Mr. Hemsley to find out the proper time and place for inclusion of an amount in the estimates in the event that a decision is reached that Canada should make a contribution. Mr. Hemsley said that if such a decision were reached some time in March the contribution could be included in the final supplementary estimates for the Canadian fiscal year 1951-52, which are submitted to Parliament before March 31, as the programme would cover the agency's fiscal year, July 1, 1951 to June 30, 1952[111]

J.E.G. HARDY

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320. DEA/10170-C-40

Le sous-secrétaire d'État par intérim aux Affaires extérieures au sous-ministre des Finances

Acting Under-Secretary of State for External Affairs to Deputy Minister of Finance

Ottawa, March 10, 1952

CANADIAN CONTRIBUTION TO UNITED NATIONS RELIEF AND WORKS AGENCY FOR PALESTINE REFUGEES, 1951-52

In a letter of January 28, 1952,† a copy of which is attached, the Acting Chairman of the Negotiating Committee for Extra-Budgetary Funds requested the Canadian government to give consideration to a Canadian contribution to UNRWAPR for the year ending June 30, 1952 and to have a Canadian representative prepared to discuss this matter when the Negotiating Committee reconvenes in New York. After a session held in Paris, the Committee resumed its meetings in New York on March 4, 1952.

2. I attach, for your consideration, a draft of a memorandum[112] on this subject, which my Minister has approved, and which he may wish to submit to

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[111] Note marginale :/Marginal note:

Mr. Hardy: Good. I confirmed this with Mr. Reid in conversation today.

In regard to 1(d) it is for consideration whether this contribution sh[oul]d be "in a given (i.e. stated) proportion" or be *more generally and vaguely* related to other contributions.

Mr. Reid thought we had not "missed the boat" before the Minister's departure — the time w[oul]d not then have been propitious to approach Cabinet.

Will you (1) go ahead as you have outlined (2) tell the delegation in N[ew] Y[ork] within a few days what we have in mind, explaining why we cannot let them have anything definite for the delegation before the first meeting of the Neg[otiating] Comm[ittee]. I dare say they will have to be given guidance what to say! If so, this for a[cting]/U[nder] S[ecretary]'s signature. Scott Feb. 8.

[112] Voir le document suivant./See following document.

the Cabinet this week on his return from Washington. This memorandum recommends that the Canadian representative on the Negotiating Committee be authorized to announce that Canada will make a contribution to the Agency of $750,000 for the year July 1, 1951 to June 30, 1952, subject to approval by the Canadian Parliament. It also recommends that the Canadian representative should explicitly reserve the Canadian position with regard to contributions for the following two years, as the programme approved by the Assembly is for a three-year period.

3. Of the $77,000,000 required to finance the programme of the Agency for the year ending June 30, 1952, $27,000,000 or approximately 35%, is to be spent on direct relief and $50,000,000 or approximately 65%, to be used for rehabilitation projects. In view of the importance of rehabilitation projects as a means to a lasting solution of the refugee problem, it might be desirable to indicate that our contribution is to be allocated between relief and rehabilitation in roughly the above proportions, and to amend paragraph 9 (a) of the proposed memorandum to the Cabinet accordingly. It might be stated, for example, that $250,000, or a higher amount is to be earmarked for relief and the remainder for rehabilitation. It might be desirable to consider whether a proportion of the Canadian contribution, either for relief or rehabilitation, be specified as being in kind.

4. If Cabinet agrees that a Canadian contribution is to be made for the year ending June 30, 1952, it will, I understand, be necessary to include the contribution in the final Supplementary Estimates for 1951-52, since inclusion in the 1952-53 estimates would probably not permit full payment to the Agency before June 30, 1952, the closing day of its fiscal year. Pending final action by the Cabinet, I have thought it in order to provide for a Canadian contribution to UNRWAPR on a provisional basis in this Department's 1951-52 final Supplementary Estimates which were submitted to the Treasury Board Division of your Department last Friday, March 7. If its is not possible to secure Cabinet approval by the end of this week, the item will, of course, have to be deleted.

ESCOTT REID

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321. DEA/10170-C-40

Note du secrétaire d'État aux Affaires extérieures pour le Cabinet

Memorandum from Secretary of State for External Affairs to Cabinet

CONFIDENTIAL [Ottawa,] March 4 (7?), 1952

ASSISTANCE TO PALESTINE REFUGEES

Since the end of 1948 some 900,000 refugees, who have lost their homes and livelihood as a result of hostilities in Palestine, have existed principally on relief provided by the United Nations, supplemented by private contributions from all over the world. Because of its central role in creating the state of Israel, the

United Nations has recognized in a number of resolutions its responsibility for the refugee problem and has consistently endeavoured to find a satisfactory solution to it.

2. Accordingly, in January of this year, the General Assembly accepted, by a vote of 49-0 (the Soviet bloc abstaining) the "Blandford Plan" for the relief and rehabilitation of Palestine refugees. It calls for the expenditure, over a three-year period, of $50,000,000 (U.S.) for relief on a diminishing scale and $200,000,000 (U.S.) for the re-integration of the refugees into the life of countries surrounding Palestine. Of this total, $77,000,000 is the estimated requirement for the first year ending June 30, 1952, and $118,000,000 and $55,000,000 respectively for the following two years. Acceptance of the plan is without prejudice to the right of refugees to ultimate repatriation or to compensation, whenever a political settlement between the Arab states and Israel makes this possible.

3. The Blandford Plan has been carefully studied by those most competent to advise, and appears to be as good a one as can be framed within the terms of practical politics in that disturbed region. It stands a very fair chance of success, provided that two conditions are met: first, that adequate funds are contributed by states outside the area; secondly, that the governments of these Middle Eastern states honestly try to carry it out.

4. The first of these requisites is already reasonably close to fulfilment so far as the first year is concerned. Towards $77,000,000 required, $67,000,000 have already been pledged as follows: United States — $50,000,000 (These powers have United Kingdom — 12,400,000 immediate strategic and France — 2,571,400 economic interests in the area.) Egypt — 391,000 Jordan — 168,000 New Zealand — 210,000 19 other countries — 775,000 In addition, Australia, the Netherlands and Brazil have indicated an intention to contribute. The Australian contribution, according to available information, will be about $600,000 in goods and services.

5. Satisfaction of the second requirement for the success of the plan — full and honest co-operation of the countries in the area — is less assured. It has been argued that for political reasons the Arab states will not assist in the permanent settlement of refugees from Israel in Arab territory. On the other hand, it has been argued that while the Arab states cannot *admit* that they will participate in such work, they will in practice do so. At best, the Blandford Plan should lead to a very considerable improvement in the lot of the refugees and in the stability of the Middle East. At worst, a proportion, though by no means all, of the funds involved may be dissipated without lasting results. In the opinion of the undersigned, the chance of success is sufficiently good that, in view of the considerations outlined below, the risk should be taken.

6. The reasons for Canadian financial participation in the Plan are as follows:

(a) the United Nations has an admitted responsibility for the welfare of these refugees.

(c) resettlement of the refugees will remove, or reduce, one group of Asians particularly susceptible to Communist and Russian propaganda;

(d) assistance to that area will be consistent with our policy of drawing Asian states towards the Western and democratic world, rather than allowing them to drift into the Communist camp;

(e) the security of the Near East is vital to the security of the North Atlantic region and it is therefore a matter of general importance and concern. The continuing tension between Israel and the Arab states, aggravated and perpetuated by the refugee problem, is one of the basic threats to Middle East security. The plan, so far as it is successful, will help to reduce the friction existing in that region;

(f) a reasonable Canadian contribution, offered in the circumstances outlined below, should encourage other comparable states to match our contribution;

(g) the obvious humanitarian reasons.

7. Negotiations with governments, members and non-members of the United Nations, regarding contributions are being carried out by a special Negotiating Committee established by the General Assembly. The Committee, after a session held in Paris in January, resumed its meetings in New York on March 4, 1952 to discuss with representatives of governments which have not yet made their position known, the contributions which they may wish to offer.

8. In recognition of their special interest in the Near East, the United States, the United Kingdom and France among them have pledged close to $65,000,000 or more than 84% of the total of $77,000,000 for the first year. If the remaining $12,000,000 were to be assessed among all other United Nations members according to the scale of contributions to the regular budget of the United Nations, Canada's share would be almost $900,000. Because contributions may also be made by non-members of the United Nations and private organizations, it is considered that an amount of $750,000, or a little less than 1% of the total, would represent a reasonable Canadian contribution and realistically reflect Canadian responsibility in the refugee problem and political interest in the preservation of stability in a strategically important area. This compares with a Canadian contribution of $1,040,616 (U.S.) or 2.9% of the total received for the period December 1, 1948 to April 30, 1950 and of $1,400,313 (U.S.) or 3.1% for the period May 1, 1950 to June 30, 1951.

9. *It is therefore recommended* that:

(a) the Canadian Representative be authorized to announce before the Negotiating Committee that Canada will make a contribution to the United Nations Relief and Works Agency for Palestine Refugees of $750,000 for the year July 1, 1951 to June 30, 1952, subject to approval by the Canadian Parliament;

(b) the Canadian Representative explicitly reserve the Canadian position with regard to contributions to the programme for the following two years, and state that a Canadian decision to make such further contributions will largely depend on the success of the plan during the first year, on evidence that local governments in the area are co-operating with the Agency in the administration of relief and re-integration projects, and on the willingness shown by countries in a position comparable to Canada's to share the financial burden;

(c) that an amount of $750,000 be included in the final Supplementary Estimates for the fiscal year 1951-52 to provide for the Canadian contribution.

L.B. PEARSON

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322. DEA/10170-C-40

Le sous-ministre des Finances
au sous-secrétaire d'État aux Affaires extérieures

Deputy Minister of Finance
to Under-Secretary of State for External Affairs

Ottawa, March 14, 1952

Attention: E. Reid, Esq.

Dear Sir,

CANADIAN CONTRIBUTION TO THE UNITED NATIONS RELIEF AND WORKS AGENCY FOR PALESTINE REFUGEES, 1951-1952

I have your letter of March 10th enclosing a draft Memorandum to Cabinet[113] recommending a contribution of $750,000 toward the 1951-52 programme of the United Nations Relief and Works Agency for Palestine Refugees in the Near East.

As you know, we in this Department have been disappointed with the results achieved by past attempts to solve the refugee problem and have expressed serious misgivings about further financial contributions to Agency programmes. In particular we have stressed the need for Arab co-operation and adequate and equitable financial support — the "conditions for a lasting solution" referred to in paragraph 3 of your draft memorandum.

Whether these "conditions" have been adequately fulfilled and whether recent developments in the Middle East warrant a further Canadian contribution is, of course, a matter for Cabinet decision. However, without anticipating that decision you may wish to take into account the following observations and suggestions which might be helpful in meeting some of our past reservations and in making your proposals more acceptable on purely financial grounds.

In your draft you state that the condition of adequate financial support is reasonably close to fulfilment, and express the belief that a contribution of a little less than 1% of the total requirement would realistically reflect Canadian responsibility in the refugee problem and our political interest in the preservation of stability in this strategically important area.

It is true that $67 million of the $77 million required for the first year has already been pledged, and that a contribution of $750,000 compares favourably with the Canadian assessment to the United Nations itself. Nevertheless, I feel that we cannot overlook the fact that virtually the whole of the pledged amounts will be provided by the United States, United Kingdom and France, whose interests in the area are readily demonstrable and so much more direct than our own. It is my feeling that the record of many other governments is still far from satisfactory and that, if we are to participate, we should not hesitate to insist on a more equitable sharing of the burdens.

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[113] Voir le document précédent./See preceding document.

There are many ways in which our position on this matter could be made explicit, including the establishment of a direct relationship between the final amount of any Canadian contribution and the share of the residue to be assumed by others with comparable responsibilities and interests.[114] This might take the form of a "matching" formula along the lines of that announced by our delegation at the recent Technical Assistance Conference.

On the further question of Arab co-operation, I am disturbed that it has not been possible to obtain public assurances of a kind that would normally be required if financial considerations were the final test of Canadian participation. However, I appreciate the difficult political circumstances that surround the resettlement of Arab refugees outside Israel and understand that it is the particular merit of the Blandford plan that it has been designed to circumvent these difficulties. I note, however, that you believe that the chances of success are sufficiently great to warrant acceptance of the risks implicit in the direction of large amounts in this area. In view of the uncertainties, I feel that, if we participate, we would be fully justified in announcing conditions and safeguards intended to give expression to the many doubts we still maintain. By controlling the rate of releases we could serve notice that our continuing co-operation is contingent upon the development and maintenance of conditions and standards of performance that will contribute to the attainment of the ultimate objective. You have already suggested that the Canadian Representative should explicitly reserve the Canadian position with regard to contributions for the second and third years of the proposed programme. If we participate, I believe that we should go further and indicate our intention of maintaining direct control over any Canadian contribution during the first trial period.

If Cabinet approves a Canadian contribution, I would recommend that these conditions should be announced in the Negotiating Committee at the time we make our pledge. The Canadian Representative might state that in view of current uncertainties the final rate and nature of releases of any Canadian contribution which may be approved by Parliament will be subject to agreement between the Canadian Government and the Secretary-General.[115] In this way, we would, in effect, serve notice that the programme will be under constant surveillance and that the extent of Canadian support will be directly influenced by evidence of progress toward the plan's main goals. This method of control would also obviate the necessity for announcing in advance the exact ratio to be maintained between expenditures for direct relief and rehabilitation.

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[114] Note marginale :/Marginal note:
1.

[115] Note marginale :/Marginal note:
2.

In paragraph 3 of your letter accompanying the Cabinet memorandum, you have suggested that the Canadian contribution might be allocated between relief and rehabilitation on the basis of 35% for relief and 65% for rehabilitation. I believe that the same results could be achieved if our Representative stated that the actual allocation between relief and rehabilitation would be taken directly into account in determining the rate of releases.[116] This more flexible approach would avoid the necessity for drawing undue attention to the delicate question of "resettlement" at this time.

You have also recommended that a portion of the Canadian contribution should be provided in kind. This might also be subject to agreement between the Secretary-General and the Canadian Government. In this way we would retain the right to utilise all or part of any Canadian contribution for the purchase of commodities that might become surplus in Canada during the year without requiring advance announcement of any arbitrary final division.

I have also considered your suggestion that provision of any Canadian contribution should be made in the 1951-52 supplementaries. After discussion within the Department, we have come to the conclusion that, if a contribution is to be made, it would be preferable to make the necessary provision in the supplementary estimates for 1952-53. As you know, it is too late to make provision in the main 1952-53 estimates, and any amount included in the 1951-52 supplementaries would have to be paid by March 31st, thereby denying the possibility of maintaining the desired measure of control. Inclusion in the 1952-53 supplementaries, which are brought down in June, would permit continuing control over the rate of releases.

Yours very truly,

W.C. CLARK

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323. DEA/10170-C-40

Note de la Direction des Nations unies
pour le sous-secrétaire d'État adjoint aux Affaires extérieures

Memorandum from United Nations Division
to Deputy Under-Secretary of State for External Affairs

CONFIDENTIAL [Ottawa,] March 25, 1952

This is a long memorandum, but the subject is important. Immediately concerned with the UNRWAPR contribution, it raises important points of policy in regard to contribution to all relief agencies and exposes the different points of view of Finance and ourselves.

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[116] Note marginale :/Marginal note:
3.

If, however, you must skip the argument, you will find the conclusions in paragraph 16 and the recommendations in paragraph 17. If these are approved, the proper documents will be prepared.[117]

S. MORLEY SCOTT

[PIÈCE JOINTE/ENCLOSURE]

Note de la Direction des Nations unies
pour le sous-secrétaire d'État aux Affaires extérieures

Memorandum from United Nations Division
to Under-Secretary of State for External Affairs

CONFIDENTIAL [Ottawa,] March 22, 1952

PRINCIPLES DETERMINING VOLUNTARY CONTRIBUTIONS TO UNITED NATIONS AGENCIES

ASSISTANCE TO PALESTINE REFUGEES

The immediate purpose of this memorandum is to seek a decision regarding our contribution to the United Nations Relief and Works Agency for Palestine Refugees for the year July 1, 1951 to June 30, 1952. A less immediate but more important purpose is to examine the principles which should guide us in determining voluntary contributions to United Nations agencies.

2. You will recall that on March 10, 1952 we placed before the Department of Finance a recommendation, which had been approved by the Minister, for a Canadian contribution of $750,000 to UNRWAPR. We considered that this amount would realistically reflect Canada's relative responsibility in the refugee problem and political interest in the preservation of stability in this strategically important area.

3. In his letter of March 14, 1952, attached, the Deputy Minister of Finance does not disagree with our proposal. He suggests, however, that the Canadian representative in the Negotiating Committee should announce certain "conditions and safeguards" which in effect would alter the character and probably much lessen the amount of our contribution, and would have certain political implications which cannot be ignored. These conditions and safeguards are that:

(a) while the Canadian representative would announce that Canada is prepared to make a maximum contribution of $750,000, he would state that the amount which the Canadian Government will actually make available to the Agency will be related to the share assumed by countries (other than the

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[117] Note marginale :/Marginal note:

The memorandum is first rate. Is Finance referring to a contribution for the year ending June 20/52. This seems unlikely since if the money had to be rolled over before June 30 it would scarcely be possible to carry out their recommendations on controlled releases.

Can't we settle our contribution for the year 51-52 & for the year 52-53 at the same time — say $250,000 for 51-52 and [$]250,000-500,000 for 52-53? E. R[eid]

United States, the United Kingdom and France) which have responsibilities and interests in the area comparable to Canada's;

(b) the Canadian representative would further state that the rate of release and the nature of the Canadian contribution will be subject to agreement between the Canadian Government and the Director-General of the Agency. In practice, our contribution would only be released as the Canadian Government (meaning presumably officials of this Department and of the Department of Finance) becomes convinced that a resettlement project is ripe for financing and is receiving the full support of the Arab government(s) in which it is to be carried out. The nature of the contribution then given will depend on the state of the Canadian economy at the time and in particular on whether certain surplus commodities can be offered to the Agency;

(c) provision for the Canadian contribution should be made in the Supplementary Estimates for 1952-53 in order to enable us to maintain a "direct control" over the Canadian contribution. Inclusion of the item in the Final Supplementary Estimates for 1951-52, as we had originally proposed, would deny us this control as payment would have to be made before March 31, 1952.

4. These "conditions and safeguards" are presented by Finance as suggestions intended to make our proposals "more acceptable on purely financial grounds." They raise, however, some important principles of international co-operation which, if they were to be regarded as sound and applied indiscriminately to other agencies to which we make voluntary contributions, would, in my opinion, make the task of administering the agencies most difficult and go a long way towards defeating the purposes for which we lend financial assistance. For these reasons I should like to discuss the above conditions in some detail and to examine the question of their acceptability in the case of our proposed contribution to UNRWAPR.

Tying of the Canadian Contribution to those of Other Countries

5. This is a fairly well-established practice. It is not objectionable insofar as it is intended to ensure that our contribution bears a reasonable relationship to those of other countries and to induce them to contribute, and provided that the application of the technique will in fact promote these objects. Whenever used, the "matching formula" should be flexible and should not be so construed as to defeat in part the purposes for which the contribution has been approved by the Cabinet and thus to reduce the political advantages which Canada may derive in contributing.

6. I might illustrate this by discussing the "matching formula" which was used in announcing our contribution to the 1952 Technical Assistance Programme. The under-developed countries, whose friendship and confidence we are trying to win and for whose benefit the technical assistance programme is being carried out, pledged roughly the same total amount in 1952 as in 1951. On the other hand, the United Kingdom, presumably because of its critical financial situation at home, reduced its contribution by $868,000 and Australia by $200,000. These reductions made it impossible to reach this year the $20,000,000 goal which, in their absence, would have been exceeded by a good

margin. Because of the "defection" of the United Kingdom and Australia, and by virtue of the "matching formula" used by the United States and Canada, the former's maximum contribution was automatically cut by $600,000 and ours by $100,000. As a result of a set of circumstances for which the under-developed countries bear no direct responsibility, less money will be available to finance a programme planned for their exclusive benefit. The political implications of this development, which was probably neither foreseen nor desired, are obvious. It seems to me that our matching formula in this case should have been based on contributions to be pledged by the under-developed countries themselves in order to emphasize the importance which Canada attaches to the principle of self-help, and also perhaps to a smaller extent and certainly in a more flexible way on contributions from developed countries in a position truly comparable to our own. While contributions from advanced countries remain very substantial, the conditions under which they were offered may seriously jeopardize the political and psychological advantages that we should normally derive from economic assistance of this kind.

7. As a general rule it seems to me that whenever we can establish that we have both a responsibility and an interest in participating in a programme, we should attempt to translate that responsibility and that interest into a *minimum* contribution which we would be prepared to give regardless of whether other countries recognize their corresponding obligations. This minimum contribution might reflect our misgivings about the programme itself and its likelihood of success. Once this minimum contribution has been determined to the satisfaction of all departments concerned and can be firmly pledged, then it would be appropriate to state that our contribution will be increased up to a *maximum* amount, depending on the contributions of others.[118] In calculating this maximum contribution, we might be guided by our relative capacity to pay, of which our assessment (3.35%) to the regular budget of the United Nations is the best available measurement. It could even be higher where political considerations warrant it. On the other hand, it could be lower where we have definite misgivings about the programme.[119] In this way, we would build up positive results as our contribution is being increased instead of creating frustration and ill-will as it is being decreased. We would not give away any more money in the process, but we would give it in a much more effective manner.

8. This Department's proposal that Canada give $750,000, or a little less than 1% of the total required by UNRWAPR for the year ending June 30, 1952, was to my mind a *minimum* contribution in the above sense. Finance interpreted it as a maximum contribution to be scaled down if countries (other than the United States, the United Kingdom and France) failed to contribute

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[118] Note marginale :/Marginal note:
I agree. E. R[eid]

[119] Note marginale :/Marginal note:
or where the U.S. is bearing a good deal more than 33%, or where certain powers other than Canada have special interests in the area or the programme. E. R[eid]

adequately. The last section of this memorandum attempts to reconcile these two conflicting views.

9. It is perhaps a bit presumptuous on our part to think that we can in any way influence other countries to contribute by threatening to reduce a contribution which may already be very low in comparison with our capacity to pay.[120] I should think that this technique would only stand a reasonable chance of success if at the same time we can convincingly demonstrate that we are doing all that we can, that some real sacrifice is requested of us, in other words that we are prepared to give to the full measure of our relative capacity to pay if other countries are willing to co-operate. Nevertheless, we cannot ignore Finance's justified misgivings at the failure of a large number of other countries to contribute to UNRWAPR in the past. We should therefore try to meet their requirement in such a way as will be more acceptable to us on political grounds.

Tying of the Rate of Release of the Canadian Contribution to Performance

10. This is a procedure which was applied by the United Kingdom and the United States in the case of their pledged contributions to the United Nations Korean Reconstruction Agency. Both Finance and this Department objected strongly at the time on the grounds that it was most unfair to those countries, such as Canada, which had paid their contributions outright; that the consequent uncertainty as to the availability of funds made the programming and administration of the Agency most difficult and that it permitted undue interference by individual governments in the affairs of the Agency. We were right in principle although admittedly the peculiar circumstances of Korean Relief mitigated the effects of the policy followed by the United States and the United Kingdom. Now Finance is suggesting that we should ourselves invoke this procedure in order to serve notice "that our continuing co-operation is contingent upon the development and maintenance of conditions and standards of performance that will contribute to the attainment of the ultimate objective."

11. I suggest that if all contributors were to introduce a similar proviso, the Agency would be faced with some 50 or 60 interpretations of "standards of performance" and "ultimate objective,"[121] depending on each country's own concepts and particular interests. Each one would undoubtedly try to promote its own ends, especially if these had not been accepted in the international forum responsible for defining "standards of performance" and "ultimate objective". Such a development would soon divest international co-operation of any meaning.

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[120] Note marginale :/Marginal note:

The real purpose of the matching formula is not to influence other countries but to ensure that our contribution is not out of line with contributions from other countries. E. R[eid]

[121] Note marginale :/Marginal note:

I agree that we should oppose this doctrine except on very rare occasions where it may be applicable. E. R[eid]

12. Any guarantees or safeguards which are necessary to ensure that our contribution will be spent for the purposes for which it is intended should be worked out by the international organ concerned. Ample machinery to that end already exists. In UNRWAPR, the authority to enter into certain types of expenditure and the conditions under which the plan is to be carried out are contained in a resolution of the General Assembly. The Director-General has to submit to the Assembly an annual report on his activities, and to the Board of Auditors of the United Nations an annual statement on his accounts. An advisory committee has been appointed to provide him with policy and financial directives as he may require. To the extent that his "standards of performance", and his efforts to attain the "ultimate objective" set down by the Assembly are unsatisfactory, he will expose himself to blame and criticism in the international organ concerned and will lose the confidence and support of member states.

13. There might be a good case for additional measures designed to protect voluntary contributions to international organizations engaged in relief, resettlement or technical assistance. These, however, should be worked out internationally. Final judgment as to when, how and in what direction an agency should spend its money should in no circumstances be left in the hands of any one government. It may be desirable, for instance, for the General Assembly to stipulate that any funds, which in a given period cannot be used by an agency for the purposes for which authority to seek voluntary contributions has been given, should revert on a pro rata basis to the original contributors. This is a sound financial procedure which is strictly applied in the case of funds raised through assessments and which could well be extended to voluntary contributions. This method of financial control would provide all contributing governments with equal and satisfactory guarantees. For this reason it would, in fact, be much more effective in promoting the objectives laid down by the Assembly than attempts by individual governments whose motives are not always beyond question or reproach, to foster the same (and in some cases different) ends.

Provision of our Contribution to UNRWAPR in the Supplementary Estimates for 1952-53

14. Our proposed contribution was to have been made to the Agency for its fiscal year July 1, 1951 to June 30, 1952. If the amount is to be included in the Supplementary Estimates for 1952-53, the item will not be approved by Parliament before June 1952 at the earliest and the money will not be released until that date. This is the reason why we believed that inclusion of an item in the 1951-52 Final Supplementary Estimates was necessary if we were to make a contribution at all during the Agency's current fiscal year. This is also the reason why we abandoned, in favour of a fixed and relatively small contribution, the formula previously suggested by Mr. Reid for a token Canadian contribution which would be increased in a given proportion depending on amounts offered by countries other than the United States, the United Kingdom and France. As our contribution would have had to be paid before

March 31, 1952, we thought that by that date the pledges of others might not be sufficiently known to enable us to apply Mr. Reid's formula. However, we might now revise our proposal in the sense of Mr. Reid's suggestion.

15. It seems to me that the reason put forward by Finance for recommending that the Canadian contribution should be included in the 1952-53 Supplementary Estimates, namely that this "would permit continuing control of the rate of releases" is (regardless of the merit of this proposal) not a very convincing one. Assuming that our contribution could not be announced at the next meeting of the Negotiating Committee on March 26, very little time would be left for the Canadian Government to examine the Agency's projects before June 30, 1952 and decide whether they are worth financing. It may be, however, that our contribution could be regarded as having been made for the first period, if we so indicated, while being carried over into the second period.

Conclusions

16. If we were to accept all of Finance's "safeguards and conditions", our contribution, though in theory $750,000, would not at the present stage of negotiations amount to more than $125,000, if a "direct relationship" is to be established between the Canadian contribution and the share assumed by countries other than the United States, the United Kingdom and France. Out of the $12,000,000 to be obtained from these countries, only $2,000,000, or one-sixth of the total, has so far been secured. Such a small Canadian contribution would go a long way towards defeating the purpose for which our contribution is to be made. It is true that it would be increased later as contributions from others were pledged. However, the psychological effect of announcing initially a contribution of that order would probably be more harmful than complete abstention on our part, particularly since other countries (e.g. Australia, New Zealand) have already offered appreciably higher amounts without any strings attached.

17. I suggest that we make a new proposal to Finance recommending that:

a) the Canadian representative should be authorized to announce before the Negotiating Committee that Canada, subject to approval by Parliament, will make a minimum contribution of $400,000 for the year July 1, 1951 to June 30, 1952. However, if contributions pledged by countries other than the United States, the United Kingdom and France exceed $5,000,000 Canada will be prepared to increase its own contribution by $50,000 for each additional $1,000,000 offered up to a maximum of $750,000 when the $12,000,000 goal is reached;

b) the Canadian representative should state that the nature (i.e. whether in cash or in kind) of the Canadian contribution will be subject to agreement between the Canadian Government and the Director-General of the Agency;

c) the Canadian representative should explicitly reserve the Canadian position with regard to contributions to the programme for the following two years, and state that a Canadian decision to make such further contributions will largely depend on the success of the plan during the first year, on evidence that local governments in the area are co-operating with the Agency in the administration of relief and re-integration projects, and on the willingness shown by countries in a position comparable to Canada's to share the financial burden;

d) an amount of $750,000 be included in the Supplementary Estimates for the fiscal year 1952-53 to provide for the Canadian contribution.

18. The only point on which these recommendations fail fully to meet Finance's conditions is the one concerning the direct control over the rate of releases. We should explain to Finance why we disagree with this proposal in principle and suggest to them ways and means, as was attempted in paragraph 13, whereby better financial control could be secured on an international basis.

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324. DEA/10170-C-40

Le sous-secrétaire d'État par intérim aux Affaires extérieures
au sous-ministre des Finances

Acting Under-Secretary of State for External Affairs
to Deputy Minister of Finance

CONFIDENTIAL Ottawa, April 25, 1952

Dear Dr. Clark,

RE: CANADIAN CONTRIBUTION TO THE UNITED NATIONS
RELIEF & WORKS AGENCY FOR PALESTINE REFUGEES,
1951-52 AND 1952-53

The comments and suggestions contained in your letter of March 14 on this subject have been examined in this Department with great attention. Largely as a result of your views but because of one or two other considerations as well, we now propose a somewhat different approach to the problem of deciding on a contribution to the United Nations Relief & Works Agency for Palestine Refugees (UNRWAPR) which is set out in the attached proposed Memorandum to Cabinet.†

You will see that the proposed Memorandum differs from the earlier one sent you under my letter of March 10 in a number of important respects. The basic recommendations now would be:

a) That no contribution be made to UNRWAPR for its fiscal year ending June 30, 1952;

b) That Cabinet should give authority to announce an outright contribution for 1952-53 of $750,000 and that this amount should be placed in the Supplementary Estimates for 1952-53;

c) That authority also be given for announcing that Canada would be prepared to make a further contribution before the end of the calendar year 1952 conditional upon the "matching" of Canadian contributions by other countries with similar responsibilities and upon the Arab countries concerned not showing an indisposition to co-operate with the programme of the Agency.

The reasons for these recommendations are set out in the proposed Memorandum to Cabinet but I might elaborate on some points. With regard to a) above, I think you will agree that a "too little and too late" contribution for 1951-52 would not have carried any particular advantage and would have made it necessary to ask Cabinet for funds for the same Agency twice within a very short time. There is the further consideration, of course, that the Agency has in effect closed its books for its current fiscal year. All in all, it seems better not to complicate matters with a rather small, last minute contribution for 1951-52 but to start clean on the question of the 1952-53 contribution and be in the van of contributors for the new fiscal year.

As to b) we have felt that, if we are to contribute, the Agency would have to have some firm, *minimum* figure for the Canadian contribution if it were to be able to assess sufficiently closely the resources it could count on to plan and execute its programme. Our financial support of the Agency must, as you have pointed out, be contingent upon a reasonable expectation that it will be possible to carry out the Agency's programme with efficiency. Since the reservations of the Government were expressed during the course of the Sixth Session of the U.N. General Assembly what evidence we have (and it is admittedly rather meagre) suggests that the Arab states neighbouring Israel have, in fact, been cooperating with Blandford. The new agreement between the Agency and the Jordan Government tends to confirm this evidence. Thus it seems possible, on the basis of present satisfaction (or, perhaps, absence of dissatisfaction) with Arab cooperation to pledge a firm contribution in the normal way, without any special conditions. The amount suggested for this initial contribution is $750,000, an amount equal to that which we suggested earlier for 1951-52.

If the Canadian conditions were satisfactorily met and we had no real fault to find with UNRWAPR or the way other nations were contributing to it before the end of the calendar year, Canada might contribute up to a further $500,000 at the beginning of 1953. Any amounts less than this would serve to demonstrate the degree of our dissatisfaction with the activities of the Agency or with the demonstrated willingness of other countries to bear their share of the load.

In this way I trust we may be able to reconcile very largely the political and humanitarian aims which we intend to serve by contributing to UNRWAPR with the financial and administrative considerations you have raised in relation to the method of contribution.

You will notice that there has been included in the Memorandum a short paragraph suggesting that the Director General of UNRWAPR should give some attention to the possibility of purchasing commodities in surplus supply in Canada for the use of his programme.

I do not need to say that if we are to proceed along these lines and include this item in the Supplementary Estimates an early decision by Cabinet will be required. I hope, therefore, that you will agree with this general approach, in which case we shall submit the matter to Cabinet as soon as possible. In any case, I shall value your comments on the proposed Memorandum.

Yours sincerely,

ESCOTT REID

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325. DEA/10170-C-40

Le sous-ministre des Finances
au sous-secrétaire d'État par intérim aux Affaires extérieures

Deputy Minister of Finance
to Acting Under-Secretary of State for External Affairs

CONFIDENTIAL Ottawa, May 3, 1952

Dear Sir,

CANADIAN CONTRIBUTION TO THE UNITED NATIONS RELIEF AND WORKS AGENCY FOR PALESTINE REFUGEES, 1951-52 AND 1952-53

I have your letter (File 10170-C-40) of April 25th advising that you have decided against recommending a contribution to the UNRWAPR programme for the fiscal year ending June 30th, 1952, and that you propose instead to request Cabinet to authorise:

(a) an immediate contribution of $750,000 to the Agency programme for 1952-53; and

(b) an announcement that Canada would be prepared to make a further contribution at the beginning of 1953 if, at that time, the Canadian Government is satisfied with the financial response of other member states and the progress achieved in carrying out the programme.

As you know, we have never questioned the need for a solution to this difficult problem. At the same time, we have been seriously concerned about the apparent failure to achieve lasting results from past expenditures in the area and have expressed misgivings about the provision of further funds for Agency programmes without better guarantees of Arab cooperation. We have also been anxious to ensure that Canada is not called upon to contribute more than other governments with comparable interests and responsibilities.

Accordingly, while I have noted the reasons you advanced (in paragraph 6 of your memorandum) for a Canadian contribution and your current belief that the Blandford Plan "stands a good chance of success", it has not been encouraging to note other reports, such as that appearing in the May 1st issue of the *New York Times*, which take a more gloomy view of prospects in the area.

However, these are factors which will have to be weighed by Cabinet when it decides whether it favours further Canadian participation. If Cabinet decides to authorise any Canadian contribution, I can see certain advantages in your new approach.

In the first place, I agree that it would be preferable to announce an early contribution to the 1953 programme rather than make a belated contribution to last year's programme.

Secondly, there would seem to be considerable merit in your proposal to divide any Canadian contribution into two parts, a first (firm) contribution to be given immediately and a second (contingent) amount to be withheld until the response of other member states is known and we are able to judge the probable effectiveness of the programme.

While these proposals partially meet our original suggestions, I am doubtful that we should provide such a large initial contribution. Since the objective is to provide new and permanent homes for the refugees, would it not be more prudent to make a smaller initial payment and withhold the larger share until we have more satisfactory evidence that the funds will be used for the intended purposes? A contribution of $750,000 represents more than one-half of the amount you are recommending as our overall contribution. If we are to participate, I would favour a smaller initial payment (not exceeding $500,000), with the larger portion withheld until we receive convincing evidence that these funds can be used effectively for resettlement.

I note also that you intend to remind the Director-General of the possibility of making purchases in Canada for use in his programme. Although I have no desire to recommend a "tied" contribution or to insist that the Agency accept commodities which cannot effectively be used for its operations, I believe we should ensure that every opportunity will be afforded to Canadian producers to sell their products to the Agency. As you know, some difficulty was experienced recently in inducing United Nations procurement agencies to make purchases in Canada for the Korean programme. In the circumstances, would it not be desirable to approach this question in the way suggested in my letter of March 10th? If we were to make the Canadian contribution "subject to agreement between the Secretary-General and the Canadian Government," we would then be assured of an opportunity to suggest purchasing arrangements that would be in line with our supply situation at any particular time.

Yours very truly,

W.C. CLARK

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326. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa,] May 14, 1952

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ASSISTANCE TO PALESTINE REFUGEES

37. *The Secretary of State for External Affairs* reported that, since 1948, Arab refugees from the war in Palestine had existed chiefly on relief provided by the United Nations which had recognized its responsibility for the problem

and consistently tried to find a solution. Not only humanitarian factors but important political considerations were involved since these refugees were a significant element in the instability of the Middle East whose security was vital to the North Atlantic area.

In January, 1952, the U.N. Assembly had accepted the "Blandford Plan" calling for the expenditure over three years of $50 million for relief and $200 million for the integration of the refugees into the life of Israel's neighbours. Some $67 million had been contributed for the year ending June 30th, 1952, and it was estimated that about $128 million and $55 million respectively would be required for the two following years.

The experts felt the plan stood a good chance of succeeding. It would be preferable for Canada not to contribute to the first year of the plan, now almost over. For the second year a reasonable contribution would seem to be in the neighbourhood of 1 percent of the funds required, that is, slightly over $1 million. He recommended that it be indicated at this time that Canada would provide $600,000 and would make a further contribution at the beginning of 1953 if it appeared that other countries were making reasonable contributions and the Middle Eastern states were cooperating in carrying out the plan. The second contribution should be up to $600,000. Payments would be subject to an understanding that attention would be given to procurement in Canada by the U.N. agency administering the plan of commodities required, particularly those in surplus supply. Officials of the Department of Finance had expressed agreement with these proposals.

An explanatory memorandum had been circulated.

(Minister's memorandum, May 9, 1952 — Cab. Doc. 144-52)'

38. *The Prime Minister* wondered, if Canada showed it felt some responsibility for success of the plan, whether it might be pressed to contribute on a basis of capacity to pay which would mean providing something like 5 percent rather than about 1 percent of the funds required for the second year.

39. *Mr. Pearson* said that since the first contribution to the U.N. agency concerned with the Palestine refugees, there had never been question of a capacity to pay basis. He would not propose, in any case, that more than $1.2 million be contributed for the year beginning July 1st, 1952. It had always been felt that Canada did not have the same degree of responsibility as the countries with special strategic and economic interests in the Middle East.

40. *The Cabinet*, after further discussion, approved the recommendations of the Secretary of State for External Affairs and, subject to the approval of the Minister of Finance, agreed that:

(1) the Canadian representative on the United Nations Negotiating Committee for Extra-budgetary Funds announce that Canada:

(a) would contribute $600,000 to the U.N. Relief and Works Agency for Palestine Refugees for the year beginning July 1st, 1952, subject to approval by Parliament;

(b) would make a further contribution to the agency at the beginning of 1953 provided conditions were such that it appeared likely that the agency's programme could be successfully carried out and that contributions from other countries with similar responsibilities were such as to justify a further contribution by Canada;

(2) the second contribution for the year beginning July 1st, 1952, be up to $600,000;

(3) payment of the contributions be subject to an agreement with the Director General of the U.N. agency to ensure that attention was given by it to procurement in Canada of commodities required for its operations;

(4) an amount of $600,000 be included in the Supplementary Estimates for 1952-53 for the initial contribution.

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327. DEA/10170-C-40

Note de la Direction des Nations unies[122]

Memorandum by United Nations Division[122]

CONFIDENTIAL [Ottawa,] June 3, 1952

UNRWAPR

Mr. Deutsch telephoned me this morning to say that he had discussed with his Minister the Cabinet decision respecting the UNRWAPR contribution. You will remember that that decision was made subject to the approval of the Minister of Finance. Mr. Deutsch said that the Minister of Finance had now approved. Mr. Deutsch reminded me that any announcement made would contain the stipulations and conditions set down in the Cabinet decision. I agreed that this was understood.

S.M. S[COTT]

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328. DEA/10170-C-40

Note de la Direction des Nations unies[123]

Memorandum by United Nations Division[123]

[Ottawa,] September 5, 1952

CANADA'S CONTRIBUTION TO UNITED NATIONS RELIEF AND WORKS AGENCY FOR PALESTINE REFUGEES

I read over the telephone to Mr. Pollock[124] of the Department of Finance yesterday (September 4th) our draft note to the Director General of

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[122] L'original porte la mention suivante :The following is in the original:
for Mr. [L.A.D] Stephens [United Nations Division].

[123] W.F. Stone s'occupait des questions financières des Nations unies pendant qu'il était détaché auprès du ministère des Finances.
W.F. Stone dealt with United Nations financial matters while on loan to Department of Finance.

[124] Sydney Pollock, Direction des Relations internationales du ministère des Finances.
Sydney Pollock, International Relations Division, Department of Finance.

UNRWAPR regarding Canada's contribution to UNRWAPR for the period July 1, 1952 to June 30, 1953.

2. We discussed at some length the provision in the Cabinet memorandum of May 9, 1952, which authorized the contribution, which reads as follows:

> "Payment of the Canadian contribution be subject to agreement between the Director General of the United Nations Relief and Works Agency for Palestine Refugees and the Canadian Government in order to ensure that attention is given by the agency to procurement in Canada of commodities required by the agency for its operations."

Mr. Pollock said that the view of the Department of Finance was that this provision did not mean that our contribution was tied in any direct way to the purchase of commodities in Canada, nor that we would wish to interfere in the purchasing policies of UNRWAPR. We wished, however, to be in a position to draw to the attention of the Director General the existence of any possible surplus commodities in Canada that he might be able to use, and wanted his assurances that attention would be given to the procurement in Canada of commodities required by the Agency for its operations. Mr. Pollock believed that these assurances would enable us to conclude the "agreement" with the Director General regarding payment of the contribution, in accordance with the terms under which Parliament authorized the contribution.[125]

W.F. STONE

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329. DEA/5475-DW-19-40

Note du conseiller auprès de la délégation
à la septième session de l'Assemblée générale des Nations unies
pour le secrétaire d'État aux Affaires extérieures

Memorandum from Adviser, Delegation to the Seventh Session
of the General Assembly of the United Nations
to Secretary of State for External Affairs

[New York?] November 27, 1952

MEMORANDUM FOR MR. PEARSON[126]

AD HOC COMMITTEE (POLITICAL)

ITEM ON THE UNITED NATIONS RELIEF AND WORKS AGENCY FOR PALESTINE REFUGEES IN THE NEAR EAST

At its Sixth Session, the General Assembly approved the "Blandford Plan" for the relief and resettlement of some 850,000 Palestinian Arabs whose homes are in territory now occupied by Israel. The Blandford Plan was a three-year scheme involving a total expenditure of $250,000,000 divided as follows between relief and resettlement or "reintegration":

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[125] Note marginale :/Marginal note:
If this means that Finance find the wording now in the draft satisfactory, I am satisfied. Otherwise not. S.M. S[cott]
Yes, Pollock agreed with draft. W.F. Stone

[126] L.B. Pearson était chef de la délégation à la septième session de l'Assemblée générale.
L.B. Pearson was Chairman, Delegation to the Seventh Session of the General Assembly.

	(million U.S. dollars)	
	Relief	"Reintegration"
July 1, 1951 — June 30, 1952	27	50
July 1, 1952 — June 30, 1953	18	100
July 1, 1953 — June 30, 1954	5	50

2. In the special joint report of the Director and Advisory Commission of the United Nations Relief and Works Agency of October 17, 1952, it was noted that the projects for the resettlement of the refugees had not gone ahead as fast as had been hoped. Hence, a revision of the financial plan was suggested for the fiscal year June, 1952, to June, 1953, which would involve the expenditure of $23,000,000 for relief and $100,000,000 for resettlement projects with the additional proviso that the Director might make such transfers between funds as might be deemed desirable. When the question was considered in the Ad Hoc Political Committee, the four powers represented on the Advisory Commission of the Agency (France, Turkey, United Kingdom, United States) put forward a resolution authorizing the Agency to increase its relief budget for the fiscal year 1952-53 from the figure of $18,000,000 approved under the original plan to the figure of $23,000,000. By the resolution, the Director would also be authorized to make further adjustments to maintain adequate standards. The relief budget for the fiscal year ending June, 1954, would be in the order of $18,000,000. The Agency would also be authorized under the terms of this resolution to allocate any funds remaining for reintegration schemes according to time schedules deemed appropriate up to June 30, 1954.

3. The four power resolution was adopted by the Ad Hoc Political Committee by 50 votes (including Canada) to none with seven abstentions. When the question was considered in plenary session the Committee's resolution was adopted by 48 votes in favour (including Canada), none against and six abstentions.

The Canadian Position and the Views of Other Delegations

4. Canada has already made contributions amounting to over $3,000,000 to the efforts of the United Nations to solve the Palestine refugee problem. In his statement in the Ad Hoc Committee, the Canadian Representative (Mr. Johnson) said that the Canadian Government had been heartened by recent public statements of Middle Eastern leaders offering encouragement to such refugees as were ready to try to build up a new life outside of Palestine. Nevertheless, the generous impulses of some peoples might lose their warmth unless they were convinced that opportunities for rehabilitation to normal life and not mere relief were being offered to the victims of war. He noted that the countries in a position to render the most important assistance in the long run were undoubtedly those who were closest geographically and, in other ways, to the refugees themselves. Mr. Johnson also said that it was neither sound nor equitable if certain great powers and a small number of other states assumed almost the whole financial responsibility for a United Nations project. He

appealed for wider financial support by members of the United Nations generally.

5. The position of Australia and New Zealand which have both made substantial contributions for the relief and resettlement of Palestine refugees was very similar to the Canadian position. Both emphasized that the degree of support which the sheltering Arab countries offered to the United Nations Relief and Works Agency would have a direct bearing on the willingness of many countries, including their own, to make further contributions.

6. The representatives of Arab states emphasized the rights of the refugees of repatriation to and compensation from Israel and directed attention to the trying conditions under which the refugees were living and the debilitating effect of life in camps over a protracted period. Certain Arab representatives suggested that the figure for relief should be in the amount of $27,000,000 instead of $23,000,000 for the current fiscal year. No formal proposal was made to this effect, however, and, in the end, only one Arab State (Iraq) failed to support the four power proposal. The other states which abstained on the recommendation included the five countries from the Soviet bloc, which have made no contributions for the relief of Palestine Arab refugees, and Chile which, because it was not in a position to contribute to the relief budget for the current year, felt it should abstain on the resolution.

J. WELD

PARTIE 8/PART 8

FONDS DES NATIONS UNIES POUR L'ENFANCE (UNICEF) UNITED NATIONS INTERNATIONAL CHILDREN'S EMERGENCY FUND (UNICEF)

330. DEA/2295-CM-40

Note du sous-secrétaire d'État aux Affaires extérieures pour le sous-ministre des Finances

Memorandum from Under-Secretary of State for External Affairs to Deputy Minister of Finance

CONFIDENTIAL Ottawa, February 1, 1952

UNICEF

My Minister has received a letter from Mr. Maurice Pate, the Executive Director of UNICEF, soliciting a Canadian contribution for 1952. A copy of Mr. Pate's letter is attached.[†]

2. As stated in Mr. Pate's letter, 32 governments contributed to UNICEF in 1951. You will recall that the Canadian Government contributed $500,000 of which $290,000 was in cash and $210,000 in dried salt codfish. Attached is a copy of a statement we have obtained from the Fund, showing the total contributions received from January 1, 1951 to December 28, 1951.[†] This

statement shows that the major contributors (other than Canada) were as follows:

United States	$5,750,000
Australia	560,000
France	500,000
Thailand	464,626
Yugoslavia	400,000
Switzerland	327,600

Also attached is a statement showing the total contributions received by UNICEF from its inception to December 28, 1951 by country and a table giving a breakdown of this statement by year through December, 1950.†

3. The target budget for 1952 is the equivalent of US$30 million. The Australian and New Zealand Governments have already announced contributions equivalent to $560,000 and $280,000 respectively. The French Government has pledged $500,00[0] and the United Kingdom will probably make a contribution of at least $140,000. Insofar as the United States is concerned we have been informed that the Administration will seek an early appropriation of $12 million. Our Embassy in Washington, however, has reported that it is not likely that more than half of this amount will actually be appropriated by Congress. Pledges for 1952, other than those mentioned above, are listed in the table showing contributions received during 1951.

4. This Department has been considering a possible Canadian contribution for 1952 and in doing so has taken the following factors into account:

5. On November 28 last, the Third Committee of the General Assembly passed a resolution making a "most earnest appeal" to Governments and private persons to "contribute within the limits of their possibilities to the Fund during 1952." The Canadian Delegation voted in favour of this resolution but in doing so made it clear that such support in no way implied a commitment to contribute.

6. For some months now, there has been a shift in emphasis in UNICEF's activities from what might be called emergency relief to long-range projects. The Fund is continuing to meet emergencies as in Korea and Palestine and more recently in Italy, but for the most part assistance is now being given for two purposes; (a) building up of a country's own maternal and child health and welfare services, including the conduct of large-scale campaigns against communicable disease, and (b) child-feeding and related undertakings. At the present moment the Fund is conducting operations in the under-developed countries, particularly of Asia and the Middle East, which areas, from the political point of view, are of considerable importance at the present time.

7. The Fund's activities are predominantly concentrated on projects which cannot be financed from other sources (technical assistance programmes, fellowship programmes and so forth. Moreover, UNICEF has been able over a period of years, to build up a solid reputation for responsible relief work and by various means has been able to set up machinery to ensure not only that its funds are spent to the best advantage, but that its supplies of milk, drugs, clothing and so forth are actually received by the persons for whom they are

intended. Canada has actively participated in the work of the Executive Committee and, as you know, a Canadian, Mrs. D.B. Sinclair,[127] is now Chairman of that Committee.

8. As you are aware, the Fund also receives private contributions as a result of appeals made by various welfare and charity organisations, individuals and groups. Insofar as Canada is concerned, it has been evident that a Government contribution provides a stimulus to those endeavours which give individual Canadians an opportunity to play a tangible part in the work of one of the United Nations' more important agencies.

9. In the light of the above consideration my Minister is prepared to recommend to the Cabinet that the Canadian Government make a contribution for 1952 in the amount of $500,000, it being understood that such a contribution will be made up of $300,000 in cash, earmarked for UNICEF purchases in Canada, and $200,000 earmarked for the purchase of some Canadian product in surplus supply during the coming year which UNICEF can make use of in connection with its programme. If no such surplus product should become available then that portion of our contribution would be paid to UNICEF on the same condition as the $300,000 in cash.

10. Before drafting a submission to Cabinet along these lines, however, I should be grateful to have your views.

A.D.P. HEENEY

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331. DEA/2295-CM-40

Le sous-ministre des Finances
au sous-secrétaire d'État aux Affaires extérieures

Deputy Minister of Finance
to Under-Secretary of State for External Affairs

Ottawa, February 26, 1952

Dear Sir,

UNICEF

I have your letter of February 1, informing us that your Department is prepared to recommend that a contribution of $500,000 be made to UNICEF for 1952 and asking for our views. You also propose that UNICEF be required to spend the whole amount of the Canadian contribution in Canada, with $200,000 earmarked for the purchase of surplus products if these develop during the year.

I think that the amount of any future Canadian contribution to UNICEF and the conditions attached to its use should be carefully considered in the light of our views on the future of this organization. When the question of the continuation of UNICEF was being discussed at the 1950 General Assembly, Canada and a number of other responsible countries expressed doubts about the need for a separate children's fund, since the immediate post-war emergency had passed, and since it was evident that UNICEF's programme would overlap the activities of a number of other United Nations bodies. However, it was finally agreed to extend the life of UNICEF until 1953 and to request voluntary contributions from member countries to finance its operations. Since then, sufficient funds have been contributed, mainly by the United States, Canada, Australia and France, to allow UNICEF to carry on its programme.

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[127] Mme D.B. Sinclair, adjointe exécutive du sous-ministre de la Santé nationale et du Bien-être social.
Mrs. D.B. Sinclair, Executive Assistant to Deputy Minister of Department of National Health and Welfare.

The continuation of UNICEF as a separate organization seems now, more than ever, to be wasteful of resources and effort. Although contributions have fallen off sharply (from about $30 million in 1949 to about $10 million in 1951), no significant reductions have been made in the number of staff or in the level of administrative costs. These costs, which in 1951 were about $2,000,000, amounted to about one-fifth of total contributions in that year. The wisdom of maintaining this large administration to carry out a diminishing programme seems particularly doubtful since the UNICEF programme has become, in most respects, a duplication of activities that are, or could be, carried out by other United Nations bodies through both their regular and technical assistance programmes.

If Canada and other donor countries maintain the size of their contributions, I am afraid that this will give the impression that we are prepared to support UNICEF for an indefinite period. Contributions on a decreasing scale, on the other hand, would indicate clearly that contributing countries are looking to the contraction and eventual winding up of this organization. For this reason we believe that it would be appropriate to reduce the Canadian contribution to something in the neighbourhood of $400,000, as compared with our 1951 contribution of $470,000 (U.S.).

I am enclosing a copy of a memorandum prepared in this Department, setting out in more detail the considerations upon which the above recommendation is based.

The conditions attached to any Canadian contribution should, I think, be consistent with the views we have expressed concerning the nature of the UNICEF programme. We have urged UNICEF to concentrate upon advisory and technical services to assist countries in developing their own child health and welfare services. However, to the extent that the UNICEF programme remains a programme of supply and emergency relief, it would seem reasonable to require that UNICEF spend part of the Canadian contribution on purchases in Canada, including purchases of commodities in surplus supply.

Yours very truly,

W. C. CLARK

[PIÈCE JOINTE/ENCLOSURE]

DEA/2295-CM-40

Note[128] *pour le sous-ministre des Finances*

Memorandum[128] *for Deputy Minister of Finance,*

Ottawa, February 22,1952

CANADIAN CONTRIBUTION TO UNICEF

External Affairs has sent a letter informing us that Mr. Pearson is prepared to recommend to the Cabinet a Canadian contribution to UNICEF for 1952 in the amount of $500,000. External Affairs proposes that this contribution of $500,000 "be made up of $300,000 in cash, earmarked for UNICEF purchases in Canada, and $200,000 earmarked for the purchase of some Canadian product in surplus supply during the coming year which UNICEF can make use of in connection with its programme. If no such surplus product should become available then that portion of our contribution would be paid to UNICEF on the same condition as the $300,000 in cash."

The attached draft reply to External Affairs is based on the following considerations.

Background

In the five years since its establishment in 1946, UNICEF has received over $162 million, including $117 million from governments, $12 million from private sources and $33 million from UNRRA assets. Canadian contributions have amounted to $7,192,727 from the Government and $1,486,289 from private sources.

At the end of the war, UNICEF was established to provide food and medical supplies to meet emergency needs of children in war-damaged countries of Europe and Asia. Before long, however, pressure developed in the U.N. for an extension of UNICEF activities to the underdeveloped areas of the world, on an expanded and permanent basis.

It was the Canadian view, shared by the United States and a number of other responsible countries that while the United Nations might carry on some activity in the field of child welfare, the activities of UNICEF should be brought to an end when the emergency period was over; any continuing United Nations effort should be on a modest scale and in the form of assistance to countries in developing child welfare services of their own. The United Kingdom advanced the more extreme view that there was no need for any special United Nations activity in the field of child welfare.

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[128] Par J.J. Deutsch et W.F. Stone ; ce dernier s'occupait des questions financières des Nations unies pendant qu'il était détaché auprès du ministère des Finances.
By J.J. Deutsch and W.F. Stone; the latter dealt with United Nations financial matters while on loan to Department of Finance.

In 1950, however, the United Nations Assembly voted in favour of extending the life of UNICEF for another three years, with emphasis on activities in underdeveloped countries. Despite Canadian and United States efforts, an amendment requiring concentration upon technical and advisory services was rejected. A Canadian amendment was accepted, however, emphasizing the desirability of strengthening permanent child health and welfare services, and Canada voted in favour of the final resolution to extend the life of UNICEF.

At the recent Assembly in Paris most of the contributing countries praised the work of UNICEF in general terms, but avoided reference to the question of its continuation. The Canadian delegate, however, reminded the Assembly that UNICEF was only "a particular aspect of technical assistance" and said that "at some stage it might appear more efficient and practical to deal with the needs of children under the technical assistance budget rather than by a special fund."

Although annual contributions have decreased sharply since 1949 (from about $30 million in 1949, to about $20 million in 1950 and $10 million in 1951), sufficient income has been received to allow UNICEF to carry out a continuing programme, and to maintain its staff of some 280. The Canadian Government contributed $546,000 (U.S.) in 1950 and $470,000 (U.S.) in 1951.[129]

If donor countries maintain the size of their contributions, it is likely to give the impression that these countries will be agreeable to the continuation of UNICEF. If it is desirable to avoid giving this impression, and to strengthen the case for winding-up UNICEF, any further contributions by Canada should be on a decreasing scale. Canada should also urge a curtailment of those parts of the UNICEF programme that are, or could be carried out by other United Nations bodies.

Nature of Present Programme

Since 1950, UNICEF has progressively reduced its direct child feeding, and has switched its main effort from Europe to underdeveloped countries. Its present programme mainly consists of providing supplies for use in joint technical assistance projects in the field of child health and welfare. A smaller (but substantial) part of its resources is used to aid capital development and for emergency relief. Its programme consequently overlaps the activities of a number of other United Nations bodies. UNICEF, however, concentrates on problems of *child* health, and welfare and for this reason has gained a special measure of public support in contributing countries.

As part of technical assistance projects in the field of child health, UNICEF provides drugs for anti-TB and anti-VD campaigns, DDT for anti-malaria campaigns, and equipment for maternal and child health clinics, etc. Foreign medical personnel, selected by WHO (but often paid by UNICEF) use the supplies both for direct medical treatment and for training local health staffs. This aspect of the UNICEF programme appears to be identical with the sort of technical assistance offered by WHO.

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[129] L'original porte la mention suivante : The following is in the original:

It might be noted that the form of the Canadian contribution in 1951 was somewhat inconsistent with Canada's attitude toward the role of UNICEF. Canada has urged UNICEF to concentrate on advisory services and long range programmes; but the 1951 contribution included a donation of fish valued at $210,000.

In the field of capital development UNICEF provides imported equipment for milk processing plants, DDT factories, and anti-biotic manufacturing plants. While efforts of this sort probably make efficient use of UNICEF funds, the concept of grants for capital development in underdeveloped countries through the U.N. has not been accepted by many contributing countries. Moreover, the policy of assisting the establishment of DDT and anti-biotic manufacturing has been criticized on the grounds that such products are not primarily for the benefit of children.

UNICEF has continued its emergency relief programmes in distressed areas, for which it is able to use contributions in kind. However, its main efforts — among Palestine refugees and in Korea — are in areas where other United Nations agencies are also acting.

Certain of UNICEF's activities in Europe appear to be of doubtful priority. Despite objections by the Canadian representative on the Executive Board, UNICEF has given $1 million for research work at an 'International Children's Centre' in Paris, and is committed to give $660,000 more. UNICEF also provides medical equipment for research in France and Italy in the field of premature births, which would appear to be a project of less than immediate priority for UNICEF.

Administration

Administration costs have been running at $2,000,000-$2,300,000 per year for a staff of some 280. Of these, 111 are located at Headquarters in New York and 66 in Paris. The remainder are elsewhere in Europe (18), Asia (57) and Latin America (24). The number of staff in Paris seems to be unduly high, considering that UNICEF's main activities have been directed away from Europe.

Despite a sharp decrease in UNICEF's operational budget over the past 3 years there has been no significant decrease in its staff or its administrative budget, presumably because of the extension of its activities into new areas. Administrative expenses now drain off as much as one-fifth of annual contributions.

Contributions

It is probable that total 1952 contributions will approximate the amount of contributions received in 1951. We have been informed that the United States Administration will seek an appropriation of $12 million for 1952, of which half is likely to be approved by Congress. Australia, France and the United Kingdom have pledged for 1952 the equivalent of their 1951 contributions of

$560,000, $500,000 and $140,000 respectively. New Zealand has pledged $280,000.

Conclusions

Canada has reluctantly accepted the continuation of UNICEF as a separate organization beyond the post-war emergency period. Its present programme overlaps to a large extent the activities of other United Nations organizations, and a high proportion of UNICEF funds is spent on administration. Since other United Nations bodies have now developed their separate programmes of technical assistance, the continuation of UNICEF as a separate organization, with a large secretariat, seems more than ever to be wasteful of resources and efforts. The question of the future of UNICEF will come before the General Assembly in 1953.

The size of further contribution by Canada to UNICEF should be considered in the light of Canadian policy toward the continuation of the organization. To avoid giving the impression that Canada is prepared to support the indefinite continuation of UNICEF Canadian contributions should be progressively decreased in the future. Canada contributed $500,000 in 1951. For 1952, a contribution of less than this amount, say $400,000, might be recommended.

In transmitting its 1952 contribution, Canada should remind the Director-General of Canadian doubts about the need for continuing UNICEF permanently. Attention should be drawn to the fact that most aspects of the UNICEF programme are now being, or could be, carried out by other United Nations bodies to which Canada is contributing in increasing amounts.

The Canadian representative on the UNICEF Executive Board should ask that any necessary economies be made in those areas of its programme that could be dealt with by other United Nations bodies. Staff and administrative expenditure should be progressively reduced. For the remaining life of the organization, increased emphasis should be placed on programmes that will assist governments in establishing their own child welfare and health services.

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332. DEA/2295-CM-40

L'adjoint exécutif du sous-ministre
de la Santé nationale et du Bien-être social
au sous-secrétaire d'État aux Affaires extérieures

Executive Assistant to Deputy Minister of National Health and Welfare
to Under-Secretary of State for External Affairs

Ottawa, March 18, 1952

Attention: Mr. Morley Scott, United Nations Division

This will acknowledge your letter of March 13† requesting comments on the letter and memorandum which you received from the Department of Finance regarding the 1952 contribution for UNICEF.† I should like to comment under three headings.

(1) *The nature of the UNICEF operations and the suggestion that the work of the Fund is duplicated by other agencies*

The suggestion is made that the work of the Fund is another form of technical assistance and therefore duplicates the work of other agencies. With the reduction in mass feeding and the instructions from the Assembly to place greater emphasis on long-range needs and on underdeveloped areas, many of the programmes follow the technical assistance pattern, but it is technical assistance "with a difference". UNICEF has always been a supply organization and therefore can undertake many programmes involving supplies from which the rules of technical assistance bar the other agencies. It has been made abundantly clear that recipient countries are prevented from undertaking certain projects if supplies are not included in the international assistance. For example, the mass campaigns against tuberculosis and against yaws would have been impossible had UNICEF not been able to supply the BCG vaccine and the penicillin to carry them out. The beneficiaries could carry local expenses for these programmes, but had no funds with which to import the necessary equipment and supplies.

The comments regarding overlapping overlook the fact that where professional personnel are required in any of these programmes, UNICEF secures these from the United Nations or appropriate specialized agencies such as WHO or FAO. Technical approval for the programmes is also secured in advance from these agencies. Canada, it is true, has had reservations about the support given to the International Children's Centre in Paris and to certain of the capital investment projects. These reservations have not been because of the projects themselves, but because of doubts as to whether they were appropriate for an organization such as UNICEF. These are not, however, types of programmes which are increasing at the present time.

The question is also raised about UNICEF funds being voted to emergency programmes such as those for Palestine or Korean refugees where other U.N. bodies have responsibility. It should be pointed out that the Children's Fund Board have on each occasion expressed the view that the other organs set up to deal with these emergencies should do so, but because the member nations had failed to contribute sufficient funds to begin or continue the programmes, great pressure was being put on all U.N. agencies to do what they could to meet very critical conditions. The need was apparent, and with funds lacking from elsewhere, it would have been very difficult for UNICEF to refuse while it had money available. As the Fund has an efficient supply organization which has demonstrated that it can deliver supplies more quickly than many governments can do, it is understandable that they are expected to play their part in these international programmes.

In recent disasters such as the Italian floods and the volcano eruption and typhoon in the Philippines, UNICEF was appealed to again because they could deliver supplies more quickly than most agencies or governments, and their contribution was for the very early stages of relief before the governments themselves and other agencies could take over.

(2) *The matter of administrative expenditures and staff reductions*

Considerable stress is laid by the Department of Finance on the fact that reductions in staff and administrative costs have not kept pace with the reductions in the annual budget. While this is always a matter of concern in international organizations, there are certain factors to be taken into account. While there have been some reductions in staff, the type of programme which the Fund has been instructed to undertake in recent years is a much more expensive one to administer than mass feeding operations confined to one continent. When the whole world becomes the constituency, travel costs mount and staff must be spread in various areas. As far as the European office is concerned, while the European programmes have been very much reduced, that office has been given the responsibility for the whole Mediterranean area as well. This includes North Africa and the Middle East including Palestine refugee programmes.

Administrative costs cannot be accurately measured against the contributions to the Fund in any one year. Many of the previously approved programmes require several years to complete and staff must therefore be available to deal with many programmes which do not appear in the allocations for 1951.

The Executive Director, Mr. Pate, has always been insistent that the maximum amount of money must be devoted to programmes and the minimum to staff.

(3) *The size and nature of the Canadian contribution*

It has been suggested that the contribution for 1952 should be reduced in order to indicate that the Canadian Government considers this a temporary organization. The Canadian Delegation in 1950 voted to continue UNICEF until 1953. The whole question will come up for discussion at that time and presumably the Canadian position will be governed by the considerations in 1953, and we shall be free to take any position that seems appropriate at that time. It would, in my opinion, be unfortunate to commit ourselves so far in advance. To maintain our contribution at last year's figure will in no way imply that we have decided to support the continuation of the Fund beyond 1953. That was also made clear in the 1951 Assembly debate. Other countries are also maintaining this freedom and at the same time proposing to continue their contributions to the Fund without reduction. The amount of money involved is not large and I would personally regret to see us reduce the figure from last year.

The Canadian contribution has always been spent in Canada and there is no reason why this should not continue. The suggestions regarding the purchase of possible surpluses seems confusing. If we had a specific surplus which could be utilized in the Fund's programmes, as has happened in the past, there might be a reason for suggesting the use of part of the contribution for this. However, to offer a contribution, part of which is tied to a purely hypothetical surplus, would make it extremely difficult for the Board to plan utilization of the Canadian contribution. There is no suggestion of a date at which this restriction might be lifted if no surplus becomes available, and again in view of the limited amount of money involved it would appear to put Canada in a rather unnecessarily embarrassing position. The Fund has always been co-operative in its Canadian purchases, which are made through the Canadian Commercial Corporation, and the point raised in the memorandum from the Department of Finance as to the inconsistency between urging long-range programmes and insisting at the same time on the use of surpluses which hardly fit into this, would seem to be well taken.

The Programme Committee of UNICEF meets on April 14, and the Executive Board on April 21. There is always more interest, and to be quite practical, more credit for a contribution announced at the time of Fund meetings. If it is possible to make such an announcement in April, it would be very much appreciated, and might also be an incentive in other quarters. In the past the Canadian delegate has on occasion been authorized to announce that the Cabinet was recommending the contribution to Parliament. It is understood that the final vote will not have taken place at the time of the meetings.

ADELAIDE SINCLAIR

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333. DEA/2295-CM-40

Note de la Direction des Nations unies
pour le sous-secrétaire d'État adjoint aux Affaires extérieures

Memorandum from United Nations Division
to Deputy Under-Secretary of State for External Affairs

CONFIDENTIAL [Ottawa,] April 4, 1952

PRINCIPLES GOVERNING VOLUNTARY CONTRIBUTIONS TO UNITED NATIONS AGENCIES

1. My memorandum to the Under-Secretary of March 22,[130] on this subject, outlined a difference of opinion, involving questions of principle, which had developed between this department and the Department of Finance over our 1952 contribution to UNRWAPR.

2. More recently, a somewhat similar problem has come to a head in connection with our 1952 contribution to UNICEF. In this case too, a recommendation approved by our Minister was sent to Finance for comments. Finance's reply suggests a change in the amount of the contribution which is not in itself too significant, $400,000 instead of $500,000. Dr. Clark's letter, however, and a long memorandum which it enclosed, raise policy questions which are more important. Mrs. Sinclair of Health and Welfare and we in this Division think Finance's views unacceptable, and we also consider that some of

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[130] Voir la pièce jointe du document 323./See enclosure, document 323.

them are of the sort that Finance should not offer or are not qualified to offer. The details of the story will be set down in a separate memorandum soon.[131]

3. There must certainly be more conversation with Finance about the UNRWAPR-UNICEF contributions. The signs are that they will be sticky about it, and my regretful conclusion is that we must be too. May I ask you to decide how you would like this difficulty to be handled? It could perhaps be unstuck a bit at your level in conversation, and then we could have an inter-departmental meeting. Or we could move at once to an inter-departmental meeting. I should be a little scared that an ungreased meeting might tighten the jam. As an un-close second best to your preliminary approach, I could have a jaw with Deutsch.

4. The meeting would perhaps be:

Finance — Deutsch, with Pollock and Stone
External — Reid, United Nations, Economic, and European Divisions
Health & Welfare — Davidson, with Sinclair. (I propose Davidson because Sinclair might be regarded as unduly influenced by her UNICEF post. Also an extra gun.)

5. The matter is perhaps not so urgent but that the meeting (if it is to occur) might be held in the week of April 14. This will give both yourself and United Nations Division a chance to catch up on our back-logs, caused by policy meetings.

S. MORLEY SCOTT

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334. DEA/2295-CM-40

Note de la Direction des Nations unies
pour le sous-secrétaire d'État part intérim aux Affaires extérieures

Memorandum from United Nations Division
to Acting Under-Secretary of State for External Affairs

[Ottawa,] April 21, 1952

VOLUNTARY CONTRIBUTIONS TO U.N. AGENCIES — UNICEF

On my memorandum to you of April 4, 1952, you pencilled the question "Would it not be possible to agree on $400,00 and not have an argument, while reserving, our position?" Before I give you my views on this question, I think I had better let you have a more detailed statement of the present position with respect to our 1952 contribution to UNICEF.

2. On February 1, 1952, Mr. Heeney signed a letter to the Deputy Minister of Finance informing him that our Minister was prepared to recommend to Cabinet that the Canadian government make a contribution for 1952 of $500,000, the same amount as was contributed for 1951. The contribution would be made up of $300,000 in cash, earmarked for UNICEF purchases in

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[131] Note marginale :/Marginal note:
would it not be possible to agree on $400,000 and not have an argument, while reserving our position. E. R[eid] Apr. 9/52

Canada, and $200,000 earmarked for the purchase of some specific Canadian product in surplus supply. (I might remark in passing that this proviso was originally suggested not because we thought it was a good idea but because we believed it would make the suggested contribution more palatable to Finance. We were wrong, as you will see.)

3. On February 26, Dr. Clark sent us a reply and enclosed a long memorandum prepared for him by Frank Stone. The letter and memorandum made a number of points:

(a) Canada had had serious doubts about the continuation of UNICEF past 1950, and certainly did not want it continued after the end of 1953, the date to which its present lease on life from the General Assembly runs. UNICEF was an emergency program and an emergency program should not be allowed to continue indefinitely.

(b) UNICEF duplicates activities that are, or could be, carried out by other U.N. agencies such as WHO, FAO or Technical Assistance.

(c) The level of administrative costs in UNICEF is disproportionately high.

(d) There are some parts of UNICEF's present program which we do not like and have expressed doubts about.

(e) Total contributions to UNICEF have been decreasing sharply since 1949.

(f) Because Canada has questioned the parts of UNICEF's program in which surplus Canadian products would probably be used, our contribution should not be rigidly tied to purchases of this kind.

4. Dr. Clark's letter recommended a contribution of only $400,000 for 1952, and said in part "Contributions on a decreasing scale ... would indicate clearly that contributing countries are looking to the contraction and eventual winding up of this organization."

5. The concluding two paragraphs of Mr. Stone's memorandum, which suggest a statement which might be delivered when the Canadian contribution is made, may also be quoted:

"In transmitting its 1952 contribution, Canada should remind the Director-General of Canadian doubts about the need for continuing UNICEF permanently. Attention should be drawn to the fact that most aspects of the UNICEF program are now being, or could be, carried out by other United Nations bodies to which Canada is contributing in increasing amounts.

The Canadian representative on the UNICEF Executive Board should ask that any necessary economies be made in those areas of its program that could be dealt with by other United Nations bodies. Staff and administrative expenditure should be progressively reduced. For the remaining life of the organization, increased emphasis should be placed on programs that will assist governments in establishing their own child welfare and health services."

6. Dr. Clark's letter and its enclosed memorandum were referred to Health and Welfare for comments. Mrs. Sinclair replied on March 18, 1952. She answered all the points made in the communication from Finance, concluding

with the strong recommendation that the 1952 contribution be of the same size as the 1951 contribution, i.e. $500,000.

7. Rather than summarize Mrs. Sinclair's letter, and then give this division's views, I shall simply give you briefly the case *for* a continued contribution of $500,000 and *against* the Finance arguments; our views and Health and Welfare's are substantially the same. The following subparagraphs are lettered to correspond with the sub-paragraphs under paragraph 3 above.

(a) It is true that Canada had some doubts about UNICEF's continuation, but Canada nevertheless voted with the majority to continue the agency in existence until the end of 1953. It would be a little inconsistent to start winding it up on our own now. We also voted at the recent Session of the Assembly — while reserving our position on Canada's contribution — for a resolution calling on member governments to contribute generously to UNICEF this year. (Mr. Johnson believed that Mrs. Marshall[132] had obtained Mr. Abbott's concurrence before casting this vote; I do not know whether this can be verified. Mr. Abbott was in Paris at the time.)

(b) It may well be true that other U.N. agencies could, and probably should, take over UNICEF's activities. It is not true, however, that there is at present any significant amount of duplication. It would be very difficult, politically, to justify a decreased contribution on these grounds, when neither we nor the U.N. have made any provision for all or any of UNICEF's work to be taken over by other agencies.

(c) It may be true that the level of administrative costs is unreasonably high, although Mrs. Sinclair takes issue with this statement. But since UNICEF has no mandate from the U.N. to "dwindle itself away", dwindling contributions from governments are likely to aggravate rather than improve the situation, whatever exhortations go with them.

(d) It may also be true that parts of UNICEF's present program are of doubtful value. We would, however, be on very shaky ground if we used this as an excuse for a decreased contribution, since we certainly have not taken advantage of past opportunities to make such views known. At the recent Assembly, Mrs. Marshall, while giving loud praise to UNICEF generally, said only one thing which might even be interpreted as criticism: while it appeared appropriate to assist countries to install milk-drying or pasteurizing equipment, it was doubtful in Canada's view whether other forms of capital investment with UNICEF funds would be quite so appropriate.

(e) It is not wholly accurate to imply that contributions from other governments generally have been decreasing since 1949. The large cut in contributions which has occurred since that date has been the single-handed achievement of the United States House Appropriations Committee, in direct opposition to the wishes both of the Senate and of the United States Administration. Other important contributors have maintained or increased their contributions. Pledges for 1952 from other major contributors are in almost every case equal to or greater than their contributions for 1951. The United States Administration has asked Congress to approve increased contributions for both 1952 and 1953.

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[132] Mme R.J. Marshall, membre de la délégation à la sixième session de l'Assemblée générale.
Mrs. R.J. Marshall, Representative, Delegation to the Sixth Session of the General Assembly.

(f) Health and Welfare agrees with Finance that our 1952 contribution to UNICEF should not be tied to purchases in Canada, or earmarked for surplus Canadian products; the chances are that the funds would be spent in Canada, as they have been in the past, even if no strings were attached to them.

8. Our main objection to Finance's thesis is that it is not appropriate for the Spring of 1952. Their arguments should either have been advanced in 1950, before the decision was taken on UNICEF's continuation until the end of 1953, or should not be voiced until the General Assembly is discussing its further continuation at the 1953 session. I would agree with Finance to this extent: *if* a motion for the winding up of UNICEF were now in order, and *if* Health and Welfare were satisfied with the concomitant arrangements for the taking over of UNICEF's work by other agencies, I should be inclined to support that motion simply on the grounds that one agency in any field is better than two. But the winding up of UNICEF is not going to be discussed internationally until the Assembly meets in 1953, and at the moment we have no idea what proposals will be made then for its continuation or, conversely, what arrangements will be suggested for transferring its functions to other agencies. Certainly adequate provision, including financial provision, will have to be made for the transfer of UNICEF's functions; in view of the strong emotional appeal of an agency which looks after children, anything less would be politically impossible.

9. Finally we must take into account the very strong probability that UNICEF will continue in some form or other, after 1953, in spite of whatever objections we may make. In that case, of course, no provision would be made for transferring UNICEF's work to other agencies, and it would be politically difficult if not impossible for us to refuse to support its work. It would be embarrassing if we had reduced our contributions in 1952 and again in 1953, and then had to reinstate them.

10. Now to return to your question. I do *not* think it would be possible for us both to agree on $500,000 and to "reserve our position", as you put it, vis à vis Finance. The points of principle, as I see it, are more important than the $100,000 and are inextricably tied up with it. Finance is asking us to accept a policy decision which is of doubtful wisdom, and which is in any case premature. It seems to me that if we accept the cut in our contribution, we must accept the reasoning on which the cut is based. If we accept the cut, but *not* the reasoning, we would seem to be putting our Minister in the position of having to defend a move which is very apt to be politically unpopular, and giving him no arguments to defend it with. It is not as though Finance were maintaining that Canada could not afford $500,000 but could afford $400,000. In that case, of course, there could be no argument with Finance's decision.

11. Two obvious courses are open to us. On the one hand, we can accept Finance's arguments, or as many of them as are necessary to provide some sort of a case for the Minister, and ask him to seek, with the concurrence of the

Minister of Finance, Cabinet's approval for a contribution of $400,000. In that case, he and Mr. Abbott may have to contend with Mr. Martin. On the other hand, we can suggest to the Minister that he recommend $500,000 to Cabinet, letting him know the objections he may expect to receive from Mr. Abbott and our suggested answers to them.

12. These alternatives amount to (a) a complete or near-complete capitulation to Finance, or (b) carrying an interdepartmental disagreement to Cabinet. What I do not recommend is that we should continue arguing the question on an interdepartmental level. This would take up more time, probably to no avail. And unless a Cabinet decision can be reached by early May, before the next supplementaries are printed, the chances are that there will be no Canadian contribution at all.

13. What perhaps distresses me most about this prickly pair of alternatives is that the decision to fight or not to fight should rest with External. UNICEF is, after all, a Health and Welfare matter, even if Canada's contribution to it is included, and perhaps must remain, in External's estimates. It is my belief that UNICEF should be, like WHO, almost entirely a Health and Welfare problem, with all initiative in connection with it left to that department. In the future, with your concurrence, it will be my endeavour to bring UNICEF into that position.

14. For the present problem, I recommend that the decision be left to Health and Welfare. We know that Health and Welfare disagrees with Finance. We do not know whether Mr. Martin would be prepared to support his department's case against Mr. Abbott in Cabinet. If he feels strongly enough about it to do so, I would recommend that our Minister support him; I think Health and Welfare's side of the argument is the right one. If he does not, then I think both our departments should concur as quickly as possble in Finance's recommendation.

15. If you agree with the foregoing, you may also agree that the best procedure would be to ask Dr. Davidson[133] to put the question to his Minister. If you prefer, I could telephone Dr. Davidson myself. Or you may consider that since Mr. Pearson had tentatively approved a contribution of $500,000 he should be informed of the present difficulties. If so, I can have the necessary memorandum prepared.

16. To summarize, my recommendation is that we either (a) ask Dr. Davidson to ask his Minister whether he is prepared to recommend a contribution of $500,000 to Cabinet over Finance's objections, and base our advice to Mr. Pearson on the answer Mr. Martin gives, or (b) inform our Minister of the present difficulties and recommend that his position be determined by whether or not Mr. Martin is prepared to carry the disagreement to Cabinet.

S. MORLEY SCOTT

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[133] George Davidson, sous-ministre de la Santé nationale et du Bien-être social.
Dr. George Davidson, Deputy Minister, Department of National Health and Welfare.

335. DEA/2295-CM-40

Note du sous-secrétaire d'État par intérim aux Affaires extérieures pour le secrétaire d'État aux Affaires extérieures

Memorandum from Acting Under-Secretary of State for External Affairs to Secretary of State for External Affairs

CONFIDENTIAL Ottawa, May 12, 1952

CANADIAN CONTRIBUTION TO UNICEF FOR 1952

I attach a Memorandum to Cabinet for your signature and subsequent Cabinet distribution recommmending a Canadian contribution of $500,000 for 1952.†

2. The question of this contribution has been discussed with officials of the Department of National Health and Welfare and the Department of Finance.

3. The attached text has the approval of the Deputy Minister of National Health and Welfare who has suggested some of the wording.

4. The text does not have the express approval of Finance but I think we do not need to be too apprehensive in this regard. An earlier formulation of this memorandum was sent to the Deputy Minister of Finance for comment. He suggested that the figure of the proposed contribution should be $400,000 rather than $500,000 and that the reduction should be publicly explained as an earnest of the Canadian Government's view that UNICEF should go out of business after 1953 and that its operations should be on a diminishing scale until that time.

5. This proposal did not find favour with officials of this Department or of National Health and Welfare. Consequently an interdepartmental meeting was held in my office which Mr. Deutsch of Finance and Mrs. Sinclair of National Health and Welfare attended. It was pointed out to Mr. Deutsch that:

(a) Although UNICEF's present lease on life has been extended only to the end of 1953 we have no assurance that the General Assembly will not decide to continue it thereafter;

(b) Even if UNICEF disappears as a separate agency its functions would have to be continued by other appropriate organizations which would require extra money to shoulder this extra responsibility. Mr. Deutsch fully agreed with this and would be prepared to see our contributions to W.H.O., F.A.O., Technical Assistance, etc., be proportionately increased;

(c) In any case, UNICEF was going ahead full steam with its programme in 1952 and operations are not being reduced. Other contributing countries have not been reducing contributions;

(d) The place and time to make known and effective the Canadian view on UNICEF are at the General Assembly in 1953 and not at this present moment.

6. Mr. Deutsch felt the weight of these considerations and, although he was not entirely convinced, I had the impression that he would advise his Minister not to insist on the lower figure of $400,000 in Cabinet.

7. We had suggested to the Deputy Minister of Welfare that the recommendation to Cabinet should stand in your name "with the concurrence of the Minister of National Health and Welfare." Dr. Davidson did not wish to ask Mr. Martin to be thus formally associated with the recommendation although he was sure that Mr. Martin would, in fact, support it in Cabinet.

8. I have not thought it suitable to include in this Memorandum to Cabinet any specific suggestions as to how and by whom the functions of UNICEF should be carried on after 1953 but I think that we should begin to determine policy in this regard in order to take a consistent line in the various U.N. bodies and specialized agencies which would be involved.

E. R[EID]

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336. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa,] May 28, 1952

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UNICEF; CANADIAN CONTRIBUTION, 1952

45. *The Secretary of State for External Affairs* put forward a proposal that, subject to certain conditions, provision be made in the Supplementary Estimates for 1952-53 for a contribution of $500,000 to the United Nations International Children's Emergency Fund for the agency's financial year 1952. This was the amount Canada had contributed for 1951. The U.S. government was asking Congress to approve a U.S. contribution of $12 million towards the Fund's budget of $20 million for 1952.

An explanatory memorandum had been circulated.

(Minister's memorandum, May 10, 1952, Cab.Doc. 149-52)†

46. *The Minister of National Revenue* wondered if it would not be more appropriate for the World Health Organization to undertake the projects designed to aid governments in establishing national health and welfare services presently being carried out by UNICEF.

47. *Mr. Pearson* said UNICEF was working in close collaboration with the World Health Organization and other U.N. agencies but had distinct functions and was not duplicating the work of WHO. As it had been established as an emergency organization and extended only until the end of 1953, the question of its future would go before the General Assembly in that year. He felt Canada should adopt the position that UNICEF's functions should be taken over by WHO and other appropriate agencies but this was likely to be opposed by the poorer countries.

48. *The Prime Minister* considered there was a danger that too many agencies were operating in the same general field. Canadian policy should be to press for other U.N. agencies to absorb UNICEF's functions. The Minister of

Finance had indicated to him that he would not oppose the proposed 1952 contribution.

49. *The Cabinet*, after further discussion, approved the recommendation of the Secretary of State for External Affairs and agreed that:

(a) provision be made in the Supplementary Estimates for 1952-53 for a $500,000 contribution to the United Nations International Children's Emergency Fund for that agency's financial year 1952;

(b) in pledging this contribution it should be made clear that it did not commit Canada to support the continuation of UNICEF after 1953 as a separate agency;

(c) the Executive Director of UNICEF be asked to use the contribution for purchases in Canada and, to the extent appropriate to the agency's programme, to give due attention to any suitable Canadian commodities in surplus supply; and,

(d) Canadian representatives at future meetings of U.N. bodies concerned with UNICEF continue to stress the need for keeping UNICEF administrative expenditures to a minimum.

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337. DEA/2295-CM-40

Note de la Direction des Nations unies
pour le sous-secrétaire d'État adjoint aux Affaires extérieures

Memorandum from United Nations Division
to Assistant Under-Secretary of State for External Affairs

CONFIDENTIAL [Ottawa,] May 30, 1952

MEMORANDUM FOR MR. LÉGER

UNICEF PURCHASE OF CANADIAN SKIM MILK

Yesterday Mrs. D.B. Sinclar of the Department of National Health and Welfare telephoned Mr. Stephens to say that Mr. Pate, Director of UNICEF, had given her the information on the telephone that UNICEF intended to purchase $525,000 worth of skim milk in Canada.

2. This purchase is in addition to the large amount now being sold to UNICEF, which was ordered last year.

3. Mr. Pate was interested to learn as soon as possible whether Canada would be contributing this year to UNICEF and, if so, how much. If there is to be a contribution, Mr. Pate would arrange his financial operations so that those Canadian dollars would be applied to the Canadian purchase. Otherwise, payment would be made from U.S. dollar funds that UNICEF has on hand.

4. Parenthetically, it is rather pleasant to see some direct financial return to the Canadian economy for taxpayers' money donated to international

organizations. UNICEF, I believe, has always spent as much, or more, in Canada than it has received from the Canadian Government.[134]

5. Mr. Gordon Robertson says that Cabinet on May 28 approved a Canadian contribution to UNICEF of $500,000.

6. Mrs. Sinclair would like to be able to telephone Mr. Pate to inform him that the Government has decided to ask Parliament for $500,000 and that, in the normal course of events, this figure will probably stand. I think this Department might tell Mrs. Sinclair to go ahead. Mr. Gordon Robertson agrees this might be done. Mr. Pate should, of course, be requested to keep this information private until an announcement is made in Canada.[135]

7. Do you agree?[136]

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338. DEA/2295-CM-40

Note du représentant auprès du Fonds des Nations unies pour l'enfance pour le sous-secrétaire d'État aux Affaires extérieures

Memorandum from Representative to the United Nations International Children's Emergency Fund to Under-Secretary of State for External Affairs

Ottawa, October 30, 1952

UNICEF

Attention: Mr. G.B. Summers

October Meetings

The October meetings of the Executive Board of UNICEF were held just before the opening of the General Assembly. The main business was the approval of allocations to provide supplies and equipment for forty-two long range children's programmes in thirty countries and territories, and in addition, emergency aid for three countries and for Palestine refugee mothers and children. About two-thirds of the money voted for programmes was for maternal and child welfare services and training, chiefly in rural areas, which reflects an increasing emphasis on this type of programme. The other programmes were chiefly for mass health campaigns or for milk conservation. The administrative costs for 1953 were also allocated. The total expenditures amounted to $7,154,000, which left the Fund with an unallocated balance of

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[134] Note marginale :/Marginal note:
this would be a good argument to use in the future. J. L[éger]

[135] Note marginale :/Marginal note:
Note. May 30. I telephoned Mrs. Sinclair. She will telephone Mr. Pate of UNICEF, probably on June 2nd, and give him in confidence the news of the Government's intended contribution. L.A.D. S[tephens]

[136] Note marginale :/Marginal note:
Yes, but it should be made very clear to Mr. Pate that this is passed on to him on a secret basis. J. L[éger]

$899,000. There is in addition approximately $1 1/2 million remaining from earlier allocations to China which is at present not being used.

There was considerable discussion as to whether it was desirable that UNICEF should be added to the responsibilities of the Negotiating Committee of the General Assembly. Canada had some doubts as to the wisdom of such a step at this time, but the Board as a whole approved the idea. The Fifth Committee and the General Assembly have recently added UNICEF to the agencies for which the Negotiating Committee is responsible, with the understanding that the administration may still continue its own efforts to add to UNICEF's resources.

Future of UNICEF

The General Assembly will consider the future of UNICEF at its 1953 session but there was a certain amount of informal discussion on the subject at the recent meetings. No governments have as yet taken a firm position and therefore it is only possible to ascertain trends. Most of the underdeveloped countries are anxious, for obvious reasons, that the work should be allowed to continue. There was no evidence at this time of efforts to make the Fund permanent, but delegates such as the United States and Australia (the two largest contributors) seem to feel that there was little likelihood that the Fund's existence would be terminated at the end of 1953 by any action of the Assembly. The United States, having lost its battle in 1950, does not appear anxious to be voting alone in 1953 and will presumably be looking for some formula which will be generally acceptable. The inclusion of UNICEF in the Negotiating Committee agencies may give it a certain status, and it seems probable that in 1953 the decision will be not whether work for children will continue under U.N. auspices, but what form it should take. The sort of questions which are being raised by delegates are whether the Fund should be given a further extension of life for a definite period, such as three years or five years, or whether it should be permitted to continue as long as it can secure funds and find suitable programmes on which to spend them, or whether it should continue indefinitely until such time as the Assembly decides to review its status.

The Canadian question as to whether the work might not be done by the various specialized agencies, providing their terms of reference were appropriately modified and their funds increased, did not seem to meet with great response among the delegates to whom it was put. They had not however any instructions from their governments on this point. Relations with the specialized agencies are at the present time good and there is no outward evidence that they are working actively for such a change. They are, however, becoming increasingly aware of the importance of supplies if many of their programmes are to be effective, and if this trend continues, they might at some future time be in a position to absorb the work of UNICEF.

Certain points would have to be considered in adopting a position that the work of the Fund should be transferred to appropriate specialized agencies. In the first place, it would probably mean that no funds would be available for some of the emergency situations in which UNICEF can assist at the present time. The present target budget of $20 millions a year includes about fourteen per cent for emergency supplies. The main argument for transferring the work to other agencies is that it reduces the number of agencies and the administrative costs. At the present time, UNICEF administrative costs are approximately $2 millions a year.[137] This is about ten per cent of the $20 millions target budget and is not an unreasonable figure.[138] However, the services cannot be very much reduced, even if the Fund failed to secure its full objective of $20 millions. If that happens, the percentage for administrative costs would, of course be higher. The specialized agencies could not take over the work of UNICEF without increasing their own administrative costs to some extent and therefore the full $2 millions could not be saved. Against the possible saving would have to be weighed the question of whether the specialized agencies could secure the additional operating funds which would enable them to provide the supplies and equipment now being given by UNICEF. If they could not, the net result would probably be that for the sake of saving something considerably less than $2 millions, a useful part of the U.N.'s work would be eliminated. Any country advocating the absorption of UNICEF's work by other agencies on the ground of administrative economy could only do so effectively if at the same time they stated that they were willing to increase their contributions to the specialized agencies to a figure which would make it possible for them to maintain UNICEF programmes.

No one to date seems to have suggested that the work itself is not of considerable value. Further discussions will probably centre on the best ways of continuing programmes which provide supplies as well as technical assistance.

ADELAIDE SINCLAIR

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[137] Note marginale :/Marginal note:
1.865 in U.S.[?] 1951.

[138] Note marginale :/Marginal note:
1951 = 8.42 of total expend[iture] = a min[imum] ratio of admin[istration] costs to assistance[?] [le reste de la note est illisible/remainder illegible.]

PARTIE 9/PART 9

DÉVELOPPEMENT ÉCONOMIQUE DES PAYS SOUS-DÉVELOPPÉS ECONOMIC DEVELOPMENT OF UNDER-DEVELOPED COUNTRIES

339. DEA/11423-40

Extrait du rapport de la Direction des Nations unies de la réunion des directions pour déterminer la politique à suivre

Extract from Report by United Nations Division of Interdivisional Policy Meeting

CONFIDENTIAL [Ottawa,] March 29, 1952

MEETING — ECONOMIC ASPECTS OF CANADIAN POLICY TOWARDS UNDER-DEVELOPED COUNTRIES

ECONOMIC ASSISTANCE

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ANNEX

INTERNATIONAL DEVELOPMENT FUND

On January 12, 1952, the General Assembly adopted a resolution jointly sponsored by Chile, Cuba, Burma, Egypt and Yugoslavia which requests the Economic and Social Council to devise and submit to the next session of the General Assembly a plan for establishing, as soon as circumstances permit, a special fund for grants-in-aid and low-interest, long-term loans to under-developed countries in order to accelerate their economic development.

2. The resolution was approved by a vote of 30 in favour, 16 against, and 11 abstentions including the Soviet bloc. It received the support of almost all Latin American, Middle Eastern and South and South-east Asian countries. It was opposed by the United States, the United Kingdom, Canada and several other Commonwealth countries, and most of the Western European countries.

3. While expressing full agreement with the ultimate purpose — the economic improvement of under-developed countries — the Canadian delegation opposed the resolution mainly on the stated grounds that the defence obligations assumed by the Government of Canada made it impossible for it to contemplate at present opening up a broad new field of assistance to under-developed countries. Furthermore, Canada had serious doubts as to whether the new proposal would in practice be the best means of promoting economic development in present circumstances. In the absence of any support for the resolution from other prospective contributing countries, we believed that there would be a very serious danger that the adoption of the plan in such

unpropitious circumstances would raise false hopes and cause misunderstandings among the peoples of advanced and under-developed countries alike.[139]

340. DEA/11423-40

Note du sous-secrétaire d'État adjoint aux Affaires extérieures pour le secrétaire d'État aux Affaires extérieures

Memorandum from Deputy Under-Secretary of State for External Affairs to Secretary of State for External Affairs

[Ottawa,] May 16, 1952

FINANCING ECONOMIC DEVELOPMENT

An interdepartmental meeting was held yesterday afternoon to discuss the position which the Canadian Delegation to ECOSOC should take on the subject of the financing of economic development. Finance, the Bank, Trade and Commerce, Defence Production and Labour were represented at the meeting.

2. The two principal proposals coming before ECOSOC are the establishment of an International Finance Corporation and the formulation of plans for an international development fund to be established later. A report on the proposed International Finance Corporation has been drawn up by the staff of the International Bank and transmitted by the Board of Directors of the Bank to the Secretary-General for discussion at ECOSOC. The letter of transmittal makes it clear that the Directors of the Bank are not committing their goverments to approval of the proposal.

3. Officials of the Bank of Canada and the Department of Finance have examined the International Bank report and were able to inform the meeting yesterday that they were prepared to recommend support of the new institution, provided it is set up as recommended in the International Bank report.

4. The primary purpose of the International Finance Corporation would be to stimulate private investment and to that end it would itself engage in equity investment and loans for non-self-liquidating projects. It would operate as an affiliate of the Bank and its capital would be subscribed by member governments on the same scale as subscriptions to the Bank. It is suggested that its total capitalization be $400 million and that one-third of the subscription be paid up at the beginning, with the other two-thirds on call. Canada's subscription on this basis would be about $15 million, of which about $5 million would be paid into the Corporation at the beginning.

5. It was agreed at the meeting that the ECOSOC Delegation should be authorized to support the idea of an International Finance Corporation.

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[139] Voir Nations unies, *Documents officiels de l'Assemblée générale, sixième session, séances plénières*,, 360ᵉ réunion, 12 janvier 1952, pp. 360-361.
See United Nations, *Official Records for the General Assembly, Sixth Session, Plenary Meetings*, 360th Meeting, January 12, 1952, p. 332.

However, since such support would entail a specific financial commitment, should the Finance Corporation be established, it was agreed that Cabinet approval should be sought before the Delegation gave its support to the plan.

6. The meeting then turned to a consideration of the Canadian position in regard to the General Assembly resolution calling upon ECOSOC to formulate plans for an international development fund. This Department's position was outlined by Plumptre in the terms agreed upon with you yesterday morning. There was unanimous agreement that the Delegation should (a) participate in the Council's discussion and drafting of recommendations to the Assembly, (b) explain at the outset that such participation does not in any way indicate a change of policy in favour of economic aid through the U.N., and that the Government has no present intention of making a contribution to any fund which might be established, (c) make clear that our attitude, as expressed in (b), is not a transitory one, dependent upon defence expenditures, and that a reduction in such defence expenditures would not change our basic position, (d) be as helpful as possible in drawing up plans for the structure and organization of an international development fund but refrain from taking any part in discussions of the financial aspects of the fund, such as the size, the kind and sources of contributions, etc, (e) emphasize the inevitability of weighted voting in any fund.

7. The suggestion that Canada might put forward an alternative proposal for an advisory board with weighted voting met with a generally negative response at the meeting. The other Departments appreciated the objective we had in mind but found little to recommend the advisory board suggestion. Rasminsky and Deutsch took the lead in this discussion but it was clear from the occasional comment that the others shared their views. The proposal was, of course, a new one to those present and they indicated their willingness to give further thought to the matter. As the discussion continued, however, their positions obviously became firm and there is no reason to suppose that further consideration would make them more sympathetic to the scheme.

8. The arguments put forward against the suggestion ran along the following lines:

(a) It was very doubtful whether such a proposal would, in fact, help toward the political objective External Affairs had in mind. The under-developed countries want money, not advice. They would get nothing from an advisory board. It would have no money to give and any function it might perform in the way of research or help in assessing needs was already available to them through existing machinery.

(b) While weighted voting would help to reduce irresponsible recommendatons, it would mean (on the basis of the system used in the Bank) that the U.S., U.K. and Canada could obstruct any proposal or recommendation. The under-developed countries would, therefore, have no real voice even in an advisory board; their influence, indeed, would be less here than in ECOSOC. One official at the meeting expressed this thought by saying that whereas the under-developed countries are pressing for a fund "we are offering them a body to go to which has no money and in which, in any event, they have no voice."

(c) Since weighted voting would give a form of veto to the developed countries, the clash of interests, which we are anxious to soften, might well be sharpened in an advisory body.

(d) If the recommendations from the advisory body to the governments engaged in foreign aid programmes were critical of what was being done or urged substantial changes in division of aid or purposes for which assistance was being given, it seemed most unlikely that governments would in fact act on such advice.

(e) The possibility of Soviet membership on the advisory board would have to be considered. It was suggested that a way around this would be to limit eligibility for membership on the advisory board to countries members of the International Bank. It was agreed that this might be a way out but, with the same membership and the same scale of weighted voting, it would mean in effect ending up with the same membership (countrywise) as the Board of Directors of the Bank. It would be difficult to prove the need of a second almost identical body to act solely in the capacity of an advisory board. Another suggestion was that the Board of Directors of the Bank might itself act as the U.N. advisory board on economic development but it was agreed that this would create embarrassment for the Bank and would probably not be acceptable to it.

(f) If the under-developed countries were to regard this proposal as useless from their point of view, they might well look upon it as a dodge to divert their efforts from their real goal. In that event, more harm than good would be done in the field of politics.

(g) On the other hand, the under-developed countries might take the proposal seriously if they looked upon it as a half-way house toward their objective of a fund. On that score, officials saw certain dangers for us in initiating such a proposal. They thought that if the board were actually set up it would be bound to develop in a short time into an agency which would try to stimulate greater flow of capital as well as give advice on request. We might well find it embarrassing to resist the prodding tactics of the board, especially if we had initiated it.

(h) The under-developed countries might even regard this advisory authority as a temporary measure and a first step toward their fund. If they were to interpret our proposal as a move in their direction from which the final step to a fund would be shorter and therefore easier to take, then it would be even harder to hold back later on and would cause even more resentment if we did.

(i) So far, the system of weighted voting has been used only in the Bank and the Fund, organs responsible for large-scale financial operations. In the U.N. context, weighted voting has become associated with financial operations. The under-developed countries might well think that money is in the offing since weighted voting and advice have never gone together in the U.N. Indeed, it would be difficult to justify the contention that, for example, U.S. advice is ten times better than Canadian advice.

9. The consensus of the other Departments present at the meeting was that we would gain more with the under-developed countries and would safe-guard our own position better by moving towards them on a basis of practical and clearly useful schemes for economic development, than by offering them something which they might look upon either as a palpable dodge or as a stick to beat us with. We shall be in a happier position at this Council session than previously, since we will, subject to Cabinet approval, be able to support the new International Finance Corporation, we will be able to report increased support of the Bank, and we will be able to point to a second Colombo Plan contribution.

10. It was agreed that there would be no objection to a proposal that ECOSOC should undertake an annual review of all economic aid programmes for development of under-developed countries. A survey prepared by the Secretary-General would provide a complete picture of what is being done and what gaps need to be filled. This would not, of course, help to satisfy the demands of the under-developed countries for a U.N. fund, but it would give ECOSOC an opportunity to examine and comment on bilateral programmes and it might have a good effect in showing clearly the extent of the aid being given.

11. I think it is quite clear that there is nothing to be gained by further consultation on the official level with respect to the proposal for an advisory board. Would you now indicate, therefore, whether you wish to discuss the proposal with Mr. Abbott, or would like to have it put before Cabinet formally as part of the memorandum which will be going forward with the instructions to the Delegation on economic development, or whether there is any other action which you would prefer to take.[140]

E[SCOTT] R[EID]

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341. PCO

Note du secrétaire d'État aux Affaires extérieures pour le Cabinet

Memorandum from Secretary of State for External Affairs to Cabinet

CONFIDENTIAL [Ottawa,] May 23, 1952

INSTRUCTIONS TO THE CANADIAN DELEGATION TO THE FOURTEENTH SESSION OF THE ECONOMIC AND SOCIAL COUNCIL NEW YORK — MAY 20-AUGUST 1, 1952

International Development Fund

At the Sixth Session of the General Assembly, the under-developed countries were successful in having a resolution adopted calling upon the Economic and Social Council to draw up a detailed plan for establishing, as soon as circumstances permit, a special fund for grants-in-aid and for low-interest, long-term loans to under-developed countries to assist in their economic development. This resolution was passed against the strong opposition of all the more economically advanced countries, including Canada.

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[140] La note a été paraphée : L.B. P[earson].
The memorandum was initialled: L.B. P[earson].

2. Although ECOSOC's responsibility, under the Assembly's resolution, is limited to the drafting of plans, the Delegation will have to exercise care in dealing with this item. It is necessary, on the one hand, to take all practicable steps to avoid widening the gap which has already developed over this issue between the poorer and the richer countries in the non-Communist world. The unity of the free world is an important objective of our foreign policy and any issue which tends to weaken that unity must be handled tactfully. On the other hand, this particular goal of the under-developed countries, namely the establishment of an international development fund under the United Nations, is one which Canada does not support and is not likely to support in the foreseeable future.

3. The question to be decided at this time is, therefore, the extent to which the Delegation should participate in the Council's work of carrying out the General Assembly's directive. In a matter of this kind, it is appropriate that the Canadian position should be determined in concert with other countries in a similar situation. It is not desirable that the Canadian Delegation should take the lead in the Council's discussions but provided that other economically advanced countries participate in the drafting of recommendations to the Assembly in respect of a development fund, the Canadian Delegation should also take part. It would be unfortunate if all the countries which are potential contributors were to boycott even discussions of this subject in the Council.

4. It is essential, however, that the participation of the Canadian Delegation should not be interpreted by the under-developed countries as an indication that a Canadian contribution to the fund can be expected if and when it is established. The Canadian Government would not be contributing to an international development fund of this kind. This attitude is based not only on the particular circumstances of today, but also on the conviction that this approach to the problem does not provide a sound or practicable basis for promoting economic development. The Delegation should, therefore, at an early stage in its intervention present a clear picture of the Canadian position. This statement should explain Canada's preference for economic aid on a bilateral basis, our experience in that field and our satisfaction with the results. Bilateral aid suits our methods; we believe that, certainly in present circumstances, it offers a more efficient, practical and useful employment of the resources which we are in a position to make available, than would other types of international machinery.

5. Our present intention is to continue along the path of bilateral aid in respect of grants and to continue our support of United Nations aid to under-developed countries through the International Bank, the International Finance Corporation (which is referred to in detail below), and the United Nations Programmes of Technical Assistance. Further, we would be glad to have ECOSOC undertake, if it so wishes, an annual discussion of international

development programmes, both bilateral and multilateral, so that all members of the United Nations may appreciate what is being done and may have an opportunity to make comments. For this purpose the Secretary General might be asked to prepare an annual factual summary of the various programmes.

6. The recommendations which ECOSOC is required to prepare for the General Assembly cover various aspects of the proposed international development fund including the size of the fund, the character and manner of collecting contributions from states, the policies and principles to be followed in regard to grants and loans, and the structure, administration and organization of the fund. The Delegation should not take part in discussing the size of the proposed fund or the nature or source of the contributions to it, but should take part, although not a leading part, in other discussions. In considering the administration of the fund and the organization of any authority which might be set up to control it, the Delegation might well suggest the inevitability or weighted voting, not merely to give contributors their proper voice but also to maintain a balance as between under-developed countries and groups.

7. It may be that the Council will set up a working group or working groups to prepare the first drafts of recommendations. The Delegation should not seek membership on any such group but should not go so far as to refuse, if pressed to accept and if other economically advanced countries accept membership.

8. As noted in paragraph two, the Delegation must exercise special care in dealing with the international development fund because it has become a cause of division between the richer and the poorer countries in the non-Communist world. If, in the course of discussion, it appears that this division is continuing or even being sharpened by the persistent refusal of the richer countries to provide money for the fund and take part in its work, the Canadian Delegation, if it can find a reasonable measure of support from other delegations, should propose consideration of a rather different type of body in which more general and more immediate participation might be possible — a U.N. advisory board on the economic development of under-developed countries. This board would not have any funds directly at its disposal, but all members of the U.N. that were seeking economic aid from other countries or providing such aid to other countries would undertake to consult the board in regard to their international programmes and to give most serious consideration to its recommendations. In order to command the respect and general compliance of the countries concerned, it would be necessary to introduce some form of weighted voting and the most appropriate system of voting and management would seem to be that which has been worked out in the International Bank for Reconstruction and Development; indeed the board would clearly have to maintain close relationship with the Bank and its staff. (It will be noted that the U.S.S.R. and its Satellites are not members of the Bank and for this reason would not and should not qualify for the advantages and responsibilities offered by the advisory board.) The Canadian Government would be willing to submit its economic aid programmes to such an advisory board and to give very serious consideration to its recommendations. If other members of the U.N. could see

their way to act in the same manner, a working compromise would emerge between the present positions of the developed and under-developed countries.

L.B. PEARSON

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342. PCO

Note du Bureau du Conseil privé pour le Cabinet

Memorandum from Privy Council Office to Cabinet

[Ottawa,] May 26, 1952

ECOSOC; 14TH SESSION; INSTRUCTIONS TO CANADIAN DELEGATION; INTERNATIONAL FINANCE CORPORATION

The Department of Finance has submitted the following memorandum:

"At its Thirteenth Session, the Economic and Social Council adopted a comprehensive resolution on economic development designed to encourage the flow of international investment capital. Following up a proposal for the establishment of an International Finance Corporation which first appeared in a report of the United States International Development Advisory Board (Rockefeller Committee), the Economic and Social Council requested the International Bank to consider whether such an institution could make a significant contribution to economic development over and above those that could be made by existing organizations. The International Bank has now submitted a report in response to this resolution.

Before the war private investment capital played an important role in the economic development of under-developed countries. This has not been true of the post-war period despite the widespread belief that private capital is the most effective means for achieving development over broad sectors of any economy. With the exception of private investment in Canada, and the petroleum industry in several under-developed countries, private foreign investment has been of almost negligible importance. This has been due largely to the numerous uncertainties and risks affecting foreign private investment which have prevailed in capital importing countries.

The failure of private capital to pay its traditional role in economic development has led to numerous proposals of varied scope and merit for the expansion of facilities to provide international public capital. The most ambitious and objectionable of these is the proposal for the creation of an International Development Fund to make free grants to the governments of needy countries. In contrast, the proposal for an International Finance Corporation is of a much more modest and realistic nature, based on sound investment principles and designed mainly to promote economic development through the stimulation of private investment. The Corporation would seek to achieve this by bringing together investment opportunities, capital and experienced management, and by helping to finance private undertakings through equity investments, and through loans without government guarantees. In brief, the proposed Corporation, if it is satisfied regarding the soundness of the project, would together with private enterprise participate in the financing of the enterprise through the purchase of equities or through making of loans without government guarantee. The funds required for these purposes would come initially out of capital subscriptions by members. It is intended that the capital fund would be in the nature of a revolving fund. It is proposed that the equities and other investments acquired should be sold to private investors as opportunities arose. It is proposed all profits made by the Corporation from these operations should inure to the benefit of the governments subscribing to the capital.

These functions are not being carried out at present by the International Bank or any other agency. Experience of the Bank has shown that there is, in fact, a real gap in the present international machinery for financing economic development. Opportunities have arisen in almost all the under-developed countries for profitable and productive undertakings in which private investors are willing to invest but which they cannot finance entirely by themselves. At present their ability to secure the additional funds is limited.

The International Bank is unable to provide greater assistance to the private sector because of two important restrictions in its operations. Firstly, there is the statutory requirement that all Bank loans must be guaranteed by governments. This has had the effect of discouraging potential private borrowers who wish to avoid association with governments in the fear that this would lead to government interference. There have also been instances where governments have been reluctant to give such guarantees to a private undertaking for fear of appearing to favour one private enterprise as against another. Secondly, the International Bank does not engage in equity financing. Lacking equity funds, the Bank has no way of dealing with projects which have good prospects, but which require more equity capital than the private enterpriser is able to put up. The International Finance Corporation would be designed to cover both these gaps in the operations of the International Bank.

The report recommends that the Corporation should start its operations on a modest scale and expand its activities only gradually as it gathered experience.

It is envisaged that the Corporation would be an affiliate of the International Bank, and would operate under the Bank's general supervision. This approach would permit the Corporation to make the fullest use of the technical and administrative staff of the Bank. The Corporation would be able to operate on a much lower administrative budget than would be possible for an independent agency, and there would be no need to set up elaborate and costly new international machinery. Affiliation with the Bank would also enable the Corporation to draw on the practical knowledge and experience of an agency which has proven itself highly competent to deal with the complex problem of financing economic development in a wide variety of countries and enterprises.

Several possible methods are suggested for achieving close caffiliation between the Corporation and the Bank. One method would be to have the Executive Directors of the Bank constitute ex officio the Board of Directors of the Corporation, with individual Directors having the same relative voting power in each institution. Another method might be through a management contract. Whichever method is adopted the important thing is to retain the principle of close affiliation so that the management and staff of the Bank can be fully utilized, in the interests of economy and efficiency.

Financially, the Bank and the Corporation would be completely independent. The capital of the Corporation would be provided by its member governments. The report suggests that a total capitalization equivalent to U.S. $400 million would be a reasonable figure. Of this amount one-third would be paid in initially and the balance would be subject to call. Participating members would subscribe to the Corporation in proportion to their subscriptions to the stock of the International Bank. Under such an arrangement Canada would be expected to subscribe roughly $15 million to the stock of the Corporation, of which $5 million would be the initial subscription.

On balance the proposal to establish an International Finance Corporation along the lines suggested in the Bank's report appears to have considerable merit. The following are the principal arguments in favour of establishing a Corporation:

(1) It would fill an important gap in the existing machinery for financing economic development, by making available to private investors some equity capital and also some loan capital without government guarantees.

(2) If successful, it would generate a flow of international private capital far in excess of the modest contribution out of its own resources, by participating financially in private undertakings and by helping to restore confidence.

(3) In the longer run the Corporation would contribute to the improvement of the general climate for private investment both in the creditor and debtor countries. In effect the Corporation would be a pilot operation which, in the course of its activities, would be able to deal in a practical way with the obstacles which stand in the way of private investment.

(4) The Corporation would be operated by an experienced and skilful staff who have demonstrated their ability to operate soundly in the field of foreign investment.

(5) Support for a modest proposal of this kind should make it easier to head off more ambitious, costly and unrealistic proposals such as the International Development Fund.

Instructions to the Canadian Delegation to the Economic and Social Council

If the proposal for the establishment of an International Finance Corporation is regarded favourably by other countries, including the United States and the United Kingdom, the Canadian delegation to the Economic and Social Council may support the proposal, subject to the following conditions:

(1) The Corporation would be an affiliate of the International Bank with substantially the same membership and voting powers as now obtain in the Bank.

(2) The Corporation would not establish new international machinery of an elaborate and costly kind, but would draw on the technical and administrative staff of the Bank.

(3) The total capitalization of the Corporation would be limited to the equivalent of U.S. $400 million to be subscribed by members in proportion to their subscriptions to the stock of the Bank. The Canadian capital subscription should not exceed $15 million with initial paid-in-capital not to exceed $5 million."

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343. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa,] May 30, 1952

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ECOSOC; 14TH SESSION; PROPOSED INTERNATIONAL DEVELOPMENT FUND AND INTERNATIONAL FINANCE CORPORATION; INSTRUCTIONS TO DELEGATION[141]

45. *The Secretary of State for External Affairs* said that at the 6th Session of the United Nations General Assembly, despite the opposition of the economically-advanced countries, the under-developed countries had secured adoption of a resolution for an international development fund to provide grants and long-term loans to under-developed countries. While it was necessary to avoid widening the existing gap between the poorer and richer free countries on this issue, the fund was a project Canada was unlikely to support in the foreseeable future.

It was proposed to instruct the Canadian delegation to the 14th Session of the Council, that, provided other advanced countries participated in drafting recommendations for the proposed fund, it should also take part. It should indicate Canada's contined opposition to the scheme, explaining its preference for bilateral economic aid, its intention to continue its support for aid to under-developed countries through various U.N. agencies, and its readiness to take part in an annual discussion of international development programmes in the Council based on a summary of current programmes to be prepared by the Secretary-General. The delegation should not participate in discussions of the size of the proposed fund or the nature or size of contributions. It should not seek, but not refuse, membership in any working groups set up to draft proposals for a fund.

It was also proposed that, if the delegation found the division regarding the fund was continuing or being sharpened it should, if there were sufficient support, propose as an alternative the establishment of a U.N. advisory board on the economic development of under-developed countries. This would not have any funds but all donor and recipient countries would consult it regarding their programmes and undertake to consider its recommendations seriously.

An explanatory memorandum had been circulated.

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[141] Voir le document 296./See document 296.

(Minister's memorandum, May 23, 1952 — Cab. Doc. 164-52)

46. *The Minister of Finance* thought it undesirable for Canada to take the initiative in proposing an advisory board, it would likely provide a means for recipient countries to press for greatly increased aid. It seemed preferable for the delegation to follow the lead of the other donor countries, reassert Canada's opposition to the proposed fund, and explain its intention to continue supporting existing U.N. agencies concerned with aid to under-developed countries.

47. *The Prime Minister* thought it desirable to defer decision on the question of an advisory board until reports were received as to the trend of the Council's discussions.

48. *Mr. Abbott* further reported that at its 13th Session, ECOSOC had adopted a resolution on economic development, designed to encourage the flow of international investment capital, which requests the International Bank to consider whether an international finance corporation could make a significant contribution. The Bank had now submitted its report which would be considered by the Council at its 14th Session. The failure of private capital since the war to play its traditional role in economic development had lead to several proposals for the expansion of facilities for providing international public capital, of which that for an international finance corporation was the most realistic. The corporation would seek to stimulate private investment by bringing together investment opportunities, capital and experienced management and helping to finance private undertaking through equity investments and loans without government guarantees. The funds would come initially from capital subscribed by member governments. The Bank's report suggested that a total capitalization of some $400 million would be reasonable. Of this amount, one-third would be paid in initially and the balance would be subject to call, with participating members subscribing to the corporation in proportion to their subscriptions to the stock of the Bank. Canada would be expected to subscribe roughly $15 million to the stock of the Corporation, of which $5 million would be the initial subscription.

The corporation would fill an important gap in existing machinery for financing economic development by making available to private investors some equity capital and some loan capital without government guarantees. He recommended that the Canadian delegation be authorized to support the proposal subject to certain conditions.

An explanatory memorandum had been circulated.

(Privy Council Office memorandum, May 26, 1952 — Cab. Doc. 163-52)

49. *Mr. Pearson* expressed agreement with Mr. Abbott's recommendation.

50. *The Cabinet*, after further discussion, approved the recommendations of the Secretary of State for External Affairs and the Minister of Finance as to instructions to be sent to the Canadian delegation to the 14th Session of the Economic and Social Council with regard to proposals for an international development fund and an international finance corporation, on the understanding that:

(1) a decision on the desirability of the delegation taking the initiative in raising the question of a United Nations advisory board on economic development would be deferred pending reports as to the trend of discussions in the Council on the proposed international development fund;

(2) the delegation should support the proposal for an international finance corporation if it were regarded favourably by other countries, including the United States and the United Kingdom, and subject to the following further conditions:

(a) the corporation would be an affiliate of the International Bank with substantially the membership and voting powers now obtaining in the case of the Bank;

(b) rather than establish elaborate machinery, the corporation would draw on the technical and administrative staff of the Bank;

(c) the corporation's total capitalization would be limited to the equivalent of U.S. $400 million to be subscribed by members in proportion to their subscriptions to the stock of the Bank and the Canadian subscription would not exceed $15 million, initial paid-in capital not to exceed $5 million.

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344. DEA/11423-40

Le sous-secrétaire d'État aux Affaires extérieures au secrétaire d'État aux Affaires extérieures

Under-Secretary of State for External Affairs to Secretary of State for External Affairs

[Ottawa,] June 24, 1952

PROGRESS ON THE ECONOMIC DEVELOPMENT ITEMS AT THE ECONOMIC AND SOCIAL COUNCIL

On Saturday afternoon, June 21, Mr. Deutsch reported to Mr. Lesage on the present position reached in the consideration of these matters at the current session of ECOSOC. The following is a draft summary of his report.

2. Preliminary discussion on the International Finance Corporation and on the Economic Development Fund has taken place in the Council and a vote is expected to be taken shortly on the two proposals. Mr. Deutsch thought it was fortunate that the two subjects had been considered together and that the vote was likely to be taken on both questions about the same time. In that way it has been possible to save time and to put the two proposals into proper relationship with each other.

3. Mr. Deutsch reported that the delegations from the under-developed countries appeared on this occasion to be as conscious as we were that it would be undesirable to sharpen any division between the two groups of countries by unnecessary controversy over these projects. The representatives from the under-developed countries seemed to recognize that nothing would really be gained by attempting to push the United States and ourselves further than we could possibly go. Mr. Deutsch gave the impression that the United Kingdom has been somewhat less astute than usual on this occasion and has gone out of

its way to emphasize, even at this stage, its inability to participate in the proposed institutions.

4. In the case of the International Finance Corporation the original U.S. draft resolution has now been modified to permit the International Bank, in its further consideration of the proposal, to go as far as it can carry its member governments with it between now and the next session of the Council. Under this new version of the resolution Mr. Deutsch considers that if the International Bank were to find a sufficient number of countries willing to contribute to the International Finance Corporation it could actually proceed to the establishment of that organization. Consequently, although the resolution does not provide specifically for the establishment of the Corporation it does permit as much progress to be made as circumstances (including the U.S. domestic situation) will allow. The under-developed countries appeared to accept the reasonableness of this resolution and the principal ones have already indicated their willingness to support the resolution when it comes to a vote.

5. In the case of the Economic Development Fund a reasonably satisfactory resolution has also been devised after considerable "negotiation" among the developed countries and between them and the under-developed countries. This resolution in its present form (a copy of which is attached)[†] goes as far as the resolution of the General Assembly required. It does not provide for the establishment of the Fund but does call for the completion of such plans as would be necessary if a Fund were to be established. Again, the representatives of the under-developed countries appeared to be reconciled to the situation and to realize that the Council could not go further than the Assembly had gone.

6. In the case of the latter resolution Mr. Deutsch anticipates that the representatives of some of the under-developed countries will insist on making statements (for consumption back home) which will attempt to interpret the resolution as implying that a Fund will eventually be established, although they themselves will be aware from the negotiations of the past week that this question has been left completely open. The Cubans have already made a brief statement to that effect. In Mr. Deutsch's view it should not be necessary to reply to these statements until after the vote, at which time the Canadian representative might explain that in supporting the resolution he was interpreting it to mean what it says and no more. Mr. Deutsch is hopeful that this resolution will also go through without serious opposition.

7. The one major uncertainty in the case of both these resolutions is the attitude of the Soviet bloc. They apparently remained quite silent throughout last week's discussions of the substance of the two proposals. Towards the end of the meeting on Friday, however, when it appeared that the time for voting might be imminent, the Soviet representative suggested that there was no use in attempting to complete the discussion then as his statement would go well beyond the time available. The only other speaker who was down to perform was the Uruguayan representative and he insisted that his speech should come after that of the Soviet delegate. Accordingly the meeting was adjourned to resume on Monday at which time the Soviet representative would lead off and would be followed by the Uruguayan. The meeting did not adjourn, however,

before other Soviet-bloc representatives indicated that they also would wish to say their few words on Monday and, inevitably, the U.S. representative indicated that [he] would also wish to make a statement in the circumstances. It is therefore conceivable that the two compromise resolutions may be upset in the course of to-day's debate. Mr. Deutsch is reasonably confident that this will not happen. He found the general feeling in New York that if the Soviet group were to attack these resolutions the effect would probably be to consolidate the non-Soviet delegates in supporting them.

8. In his report on last week's discussions Mr. Deutsch emphasized the constructive role that David Owen[142] had played in influencing the mood of the representatives from the under-developed countries. He also thought that the cooperative attitude displayed by Mr. Black, the President of the International Bank, had been very helpful in improving the atmosphere. The Canadian delegation appears to have been active in helping to produce the compromise drafts, although the actual "negotiations" between the representatives of the developed and under-developed countries had taken place primarily between Lubin of the U.S.[143] and Santa Cruz.[144]

E. R[EID]
for L.D. W[ilgress]

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345. DEA/5475-DS-20-40

La Direction économique
au ministre, délégation au Conseil de l'Atlantique Nord

Economic Division
to Minister, Delegation to North Atlantic Council

PERSONAL AND CONFIDENTIAL

Ottawa, September 26, 1952

Dear Wynne [Plumptre],

When I returned from vacation last week Ed passed to me your letter of August 28† asking us to let you have a brief summary of what took place at ECOSOC on financing of economic development. The only paper we have available is the Delegation's report, which is probably too detailed for your purposes, so I shall attempt to give you the highlights in a few paragraphs.

As you probably heard before you left Ottawa, the United States was not prepared to take a positive line at the Council on the proposal for the establishment of an international finance corporation. It seems that while there was a good deal of support for the idea in the State Department there was considerable coolness in other quarters, particularly in certain sections of the investment community. They were apparently fearful that such an agency might constitute a thin end of the wedge for governments to interfere in a field which they regard as the exclusive property of private enterprise. The U.S. delegation was hopeful that these conflicting views might be reconciled if further time were given for consultation and explanation of the true purposes of a finance corporation. Meanwhile, however, they were obliged to take a pretty non-committal attitude in ECOSOC. They had prepared and urged us to co-sponsor a resolution which would, in effect, have done little more than return the proposal to the Bank for further study. While we appreciated their position we felt that their draft resolution was too negative and we persuaded them to accept revisions which gave the resolution a more positive twist. It was submitted jointly by the United States and ourselves, as well as the Pakistanis, whom we persuaded, without difficulty, to co-sponsor. It was adopted by 15 votes in favour with the three Soviet countries abstaining. Under this resolution the proposal is returned to the Bank for further examination and for consultation with governments who in turn are requested to consult with national organizations and business groups. The Bank is then to seek the views of its member governments on the desirability of establishing a finance corporation and is to inform the Council during 1953 of the action it has taken. The idea is that the final decision should be taken within the Bank by its member governments and the implication is that the Council hopes the decision will be favourable.

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[142] Arthur David Kemp Owen, président directeur du Bureau de l'assistance technique.
Arthur David Kemp Owen, Executive Chairman, United Nations Technical Assistance Board.

[143] Isador Lubin, membre de la délégation des États-Unis à la quatorzième session de l'ECOSOC.
Isador Lubin, Representative of United States to 14th Session of ECOSOC.

[144] Hernán Santa Cruz, représentant permanent du Chili auprès des Nations unies ; chef de la délégation à la sixième session de l'Assemblée générale.
Hernán Santa Cruz, Permanent Representative of Chile to United Nations; Chairman, Delegation to the Sixth Session of the General Assembly.

I should add that Mr. Black in his statement on the Bank's report made it quite clear that the management of the Bank was favourably disposed towards the creation of a finance corporation although he emphasized the fact that further careful consideration of the views of governments and potential investors would be necessary before it could be determined whether the organization of a finance corporation would be desirable and practicable. You may also be interested to know that the United Kingdom and France, although they both supported the resolution and agreed that the plan was worthy of further consideration, expressed certain misgivings on particular aspects of the proposal and made it clear that, regardless of the merits of the proposal, their government would not be in a position to contribute to the corporation if it were set up. Belgium, like Canada, indicated a favourable reaction provided sufficient support were obtained to make the establishment of the corporation a practical proposition. The under-developed countries were interested but made it quite clear that they were not disposed to accept a finance corporation as a substitute for international grants-in-aid.

There were no fireworks in connection with the proposed international development fund. We were surprised and greatly relieved when the under-developed countries themselves produced a draft resolution proposing the creation of an expert committee to draw up the blueprint required by the General Assembly. As the experts could not submit a report until the next spring session of the Council the proposal meant, in effect, a year's postponement of the issue. Their draft resolution was submitted informally to the delegations of the developed countries in advance of the Council's discussion. Two or three private meetings were held by representatives of these delegations and it was agreed among them that if certain revisions were made in the text designed to eliminate any implication that approval of the resolution meant approval of the principle of an international fund, the resolution could be accepted. These alterations were sold without difficulty to Mr. Santa Cruz who, despite his observer status, retained his position as leader of the under-developed group. He had in fact, or so he told me at lunch, drawn up the resolution himself and secured the concurrence of the delegations of the other under-developed countries who were co-sponsoring the proposal. It was submitted in the names of Cuba, Iran, Egypt and The Philippines, together with three non-members of the Council, Burma, Chile and Yugoslavia. (The three last-named countries were all represented by observers.) As a result of the sensible attitude taken by the under-developed countries and of the preliminary agreement reached on all sides, the formal discusson on this subject in Council was not of any particular significance. Santa Cruz treated us to a long and quite violent harangue along the usual lines but there was no disposition on the part of others to carry on in this vein. In a private conversation with me after the debate he defended his statement on the grounds that having put forward a mild resolution he felt obliged to give a strong speech so that he might not be suspected of retreating from his well-known position.

The resolution was adopted by 15 votes in favour, with the Soviet Bloc abstaining, and since it was submitted by the under-developed countries themselves we can, I think, assume that it will not be upset in the Assembly.

You may be interested to know that the UN has been trying very hard to get John Deutsch to serve on the expert committee. He was personally much tempted by the invitation but cannot be spared. I believe that the UN is making every effort to collect a really first-class group of practical economists to do this job in the hope that they will produce reasonable and workable proposals which governments will accept. As we will not be on the Council when the experts' report is being considered next spring, it will not be until the Eighth Session of the General Assembly in the fall of next year that we will be called upon to take a public stand on their recommendations.

This summary has turned out to be longer than I intended but I hope it will give you a reasonably clear picture of the present status of the economic development issue.

Yours sincerely,

B.M. MEAGHER

346. DEA/5475-DW-19-40

Extrait de la note du conseiller auprès de la délégation à la septième session de l'Assemblée générale des Nations unies pour le secrétaire d'État des Affaires extérieures

Extract from Memorandum from Adviser, Delegation to Seventh Session of the General Assembly of the United Nations, to Secretary of State for External Affairs

[New York?], November 26, 1952

MEMORANDUM FOR MR. PEARSON[145]

COMMITTEE 2: ECONOMIC AND FINANCIAL

Committee 2 was assigned a short agenda of only three items. But the first of these, the Economic Development of Under-Developed Countries, which is No. 25 on the agenda of the General Assembly, was divided into four parts and has so far occupied the time of the Committee.

2. Item 25(d) Technical Assistance for Under-Developed Countries was considered first. Canada was one of the co-sponsors of a resolution which approved the expanded programme of technical assistance and urged governments to contribute to the programme for the year 1953 towards a goal of $25 million dollars as suggested by the Economic and Social Council at its fourteenth session. An amendment by Ecuador proposing a goal of $40 million dollars for 1954 was withdrawn after some debate, and the original resolution, slightly modified, was passed on November 14 by 46 votes in favour, none against, and 5 abstentions from the Soviet bloc. Canada, which contributed $725,000 to the previous programme, will contribute up to $850,000 for 1953, the exact amount depending upon the total pledges by other countries. Many delegations during the debate in Committee 2 explicitly mentioned the intention of their governments either to match or increase for 1953 the contributions they had made for 1952.

3. Item 25(a) Financing of Economic Development of Under-Developed Countries has given rise to no fewer than six draft resolutions. Four of these, submitted one by Cuba, one by Chile, one by Brazil, and one jointly by Egypt, Iraq, Lebanon and Saudi Arabia, were concerned first with the suggestion for an International Development Fund which is to be studied by a group of experts; second with the proposed International Finance Corporation now under study by the International Bank for Reconstruction and Development; and third with the reasons for the inadequate flow of private investment capital to under-developed countries. They were thrown by a working group into a consolidated resolution which was passed on November 20 with no dissenting votes. It has the effect of urging that the studies referred to above be pushed through expeditiously and reports made to the eighth session of the General

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[145] L.B. Pearson était le chef de la délégation à la septième session de l'Assemblée générale.
L.B. Pearson was Chairman, Delegation to the Seventh Session of the General Assembly.

Assembly. The Canadian delegation and numerous others explained that they did not interpret the resolution as in any way prejudging the reports to be submitted or endorsing the Fund and the Corporation out of hand.

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D. BURWASH

PARTIE 10/PART 10

PROGRAMME ÉLARGI D'ASSISTANCE TECHNIQUE
EXPANDED PROGRAM OF TECHNICAL ASSISTANCE

347. PCO

Note du secrétaire d'État par intérim aux Affaires extérieures pour le Cabinet

Memorandum from Acting Secretary of State for External Affairs to Cabinet

CONFIDENTIAL Ottawa, November 10, 1952

CONTRIBUTION TO THE UNITED NATIONS EXPANDED PROGRAMME FOR TECHNICAL ASSISTANCE

On June 12, 1950, Cabinet approved a contribution by Canada of $850,000 to the United Nations Expanded Technical Assistance Programme for the first financial period of eighteen months ending December 31, 1951 and on November 21, 1951 Cabinet authorized the Canadian Delegation to the United Nations Assembly in Paris to pledge up to a similar amount to the Programme for the year 1952, "the extent of the Canadian contribution to depend on the amounts pledged by other countries and on the Delegation being fully satisfied with the nature of the Programme." The actual Canadian contribution was $750,000.

2. On the basis that an increase in the contributions over those pledged for 1952 was necessary, in order to leave room for reasonable enlargement of the Expanded Programme, the Economic and Social Council has urged governments to make contributions to the Programme for the year 1953 toward the goal of $25 million and has recommended that the General Assembly make arrangements for soliciting and receiving pledges from governments. This total represents an increase of $5 million or 20 per cent over the target set for last year.

3. I understand that the United States Delegation has been authorized to pledge, at the meeting of the Negotiating Committee which is to take place during the present session of the General Assembly, the amount of $14.7 million provided this amount does not exceed 60 per cent of the total of the contributions pledged for 1953. This represents an increase of $2.7 million or 23.5 per cent over the limit of $12 million which the U.S. Delegation was authorized to pledge last year, subject to a similar proviso.

4. Canada was represented on the working party of the Economic and Social Council which formulated the recommendations about the operation of the Programme for the year 1953. The Programme is overcoming its earlier operational difficulties and is proving its effectiveness. It is one of the most worthwhile activities of the United Nations to which Canada is a contributor both in the promotion of international good will and in its concrete results. In the circumstances it would be reasonable to continue participating in the Programme on the same scale as last year.

5. I recommend, therefore, that the Canadian Delegation to the General Assembly be authorized to pledge an amount up to $850,000 as the Canadian contribution to the United Nations Programme for the year 1953. The precise amount of the Canadian contribution should depend this year, as in the past, upon the total amount pledged by other countries.

BROOKE CLAXTON
Acting Secretary of State
for External Affairs

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348. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa,] November 13, 1952

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UNITED NATIONS EXPANDED PROGRAMME FOR TECHNICAL ASSISTANCE; CANADIAN CONTRIBUTION

50. *The Prime Minister* said the Minister of National Defence, as Acting Secretary of State for External Affairs, had submitted a memorandum recommending that the Canadian delegation to the General Assembly of the United Nations be authorized to pledge an amount up to $850,000 as the Canadian contribution to the United Nations Expanded Programme for Technical Assistance for the year 1953. The contribution authorized in 1950 had been $850,000 and in November 1951 a similar contribution had been authorized for 1952, provided that the exact figure should depend on the amounts pledged by other countries. The actual Canadian contribution had been $750,000. The goal of the programme for 1953 was $25 million, which was an increase of 20 percent over the 1952 target. The U.S. delegation had been authorized to pledge $14.7 million, provided that did not exceed 60 percent of the total contributions for 1953. The U.S. authorization represented an increase of $2.7 million over the U.S. contribution in 1952. The programme was proving effective and it was desirable for Canada to continue to participate.

Copies of the memorandum had been circulated.

(Memorandum, Acting Secretary of State for External Affairs Nov. 10, 1052 — Cab. Doc. 358-52)

51. *The Secretary* reported that the Minister of Finance had approved the recommendation.

52. *The Cabinet* approved the recommendation of the Acting Secretary of State for External Affairs, and agreed that the Canadian delegation to the General Assembly of the United Nations be authorized to pledge an amount up to $850,000 as the Canadian contribution to the United Nations Expanded Programme for Technical Assistance for 1953; the precise amount of the contribution to depend upon the total amount pledged by other countries.

CHAPITRE IV/CHAPTER IV

CONFÉRENCES ET ORGANISATIONS INTERNATIONALES
INTERNATIONAL ORGANIZATIONS AND CONFERENCES

PREMIÈRE PARTIE/PART I

INSTITUTIONS SPÉCIALISÉES DES NATIONS UNIES
UNITED NATIONS SPECIALIZED AGENCIES

SECTION A

ORGANISATION INTERNATIONALE DU TRAVAIL
INTERNATIONAL LABOUR ORGANIZATION

SUBDIVISION I/SUB-SECTION I

BUDGET

349. DEA/74-R-40

Extrait des instructions à la délégation à la cent dix-huitième session de l'organe directeur de l'Organisation internationale du travail

Extract from Instructions to Delegation to 118th Session of International Labour Organization Governing Body

[Ottawa,] February 21, 1952

ITEM 10

Financial and Administrative Committee
8 — Budget Estimates for 1953

Persistent increases in the budgets of most Specialized Agencies in recent years have caused growing concern among many member countries, who are called upon to come forward with ever-growing contributions. The stabilization of these budgets is urgently required and has been repeatedly urged by responsible member countries, by the Advisory Committee on Administrative and Budgetary Questions, and by the General Assembly of the United Nations itself. Canada has taken a leading role in urging stabilization, and Canadian delegations to all United Nations bodies are being instructed this year to insist that stablization policies be implemented.

The expansion of the ILO budget has been particularly disturbing, since the ILO is one of the oldest and best established of the United Nations bodies. In

1947, its net budget was $3,727,332. By 1949 it had increased to over $5 million. The budget proposed by the Director General for 1953 is $6,678,897, or almost double the 1947 budget level.

Since the net budget for 1952 was $6,224,922, the increase proposed by the Director General for the 1953 budget is therefore $453,975, or about 8 per cent. An increase of this amount indicates that the repeated requests of responsible countries for budgetary stabilization are not being met.

The Canadian Delegation should emphasize the necessity for stabilization of expenditure by the ILO. This does not mean that the present ILO programme should be fixed in its present form, nor that no new tasks should be undertaken. It does mean, however, that the adoption of essential new services should be accompanied by the elimination of projects of lower priorities, and that new duties should be met by re-organization of staff rather than by staff expansion.

The proposed 1953 budget should be closely examined by the Finance Committee and the Governing Body, with a view to achieving every possible economy consistent with the effective functioning of the organization. The Canadian Delegation should not hesitate to take the initiative in urging the adoption of measures to achieve such economies and should energetically support proposals by other representatives for reducing costs.

The following paragraphs indicate a number of places where budgetary savings could be made. These economies are suggested by way of example only. The Delegation is, of course, in the best position to search the 1953 programme and budget, in co-operation with other responsible delegations, for other means of stabilizing the 1953 budget.

Last year, the Finance Committee, at its March meeting, was able to reduce the Director General's proposed budget of $6,561,669 to $6,169,922. (This reduced budget still represented a considerable increase over the 1951 budget of $5,973,789.) It is expected that the Finance Committee will similarily be able to discover means of achieving savings in the 1953 budget. The Delegation should oppose budgetary proposals that do not, in its opinion, adequately meet the test of budgetary stabilization.

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350. DEA/74-R-40

Extrait de la dépêche du secrétaire d'État aux Affaires extérieures au secrétaire de la délégation permanente auprès de l'Office européen des Nations unies

Extract from Despatch from Secretary of State for External Affairs to Secretary, Permanent Delegation to European Office of United Nations

DESPATCH No. V-47 Ottawa, February 22, 1952

118TH SESSION OF THE I.L.O. GOVERNING BODY: ADMINISTRATIVE AND FINANCIAL INSTRUCTIONS

Attached for your guidance at the meetings of the I.L.O. Financial and Administrative Committee and of the Governing Body are a set of instructions[†] on the items of importance which may arise at that time. These have been prepared by the Department of Finance in consultation with the Department of Labour and this Department. You are asked to play as active a role as possible in the light of these instructions which stress the great need for economy and budget stabilization. No doubt other opportunities for achieving economy without impairing the efficiency of the I.L.O. will present themselves to you during the course of the meetings. You should, of course, take every advantage of these occasions if you consider that the Office is asking for unnecessary expenditures or is not budgeting on a sound, economical basis.

2. We are given to understand that, in all probability, the United Kingdom Government Representative will be pressing strongly for economy in the I.L.O. budget and may go so far as to propose that the 1953 budget should be stabilized at the 1952 figure. This would mean that the Director-General's proposed increases for 1953 would be opposed by the United Kingdom. We have told the United Kingdom Government Representative, informally, that we too will stress the importance of economy where feasible, provided these efforts do not impair the efficiency of the Organization. We therefore welcome this United Kingdom initiative. You might wish to meet with your United Kingdom colleague on the Financial and Administrative Committee before the meetings begin to work out a common approach with him, if feasible.

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ESCOTT REID
for Secretary of State
for External Affairs

351. DEA/74-R-40

Le délégué permanent auprès de l'Office européen des Nations unies au secrétaire d'État aux Affaires extérieures

Permanent Delegate, European Office of United Nations, to Secretary of State for External Affairs

TELEGRAM 32 Geneva, March 8, 1952

FINANCIAL AND ADMINISTRATIVE COMMITTEE OF ILO GOVERNING BODY

As a result of the government representatives insistence of need for economies, Director-General submitted to committee yesterday proposals for reductions in 1953 budget estimates totalling 512,849 dollars which is approximately one-fifth of the original 1953 estimates. Committee unanimously adopted Director-General proposals which in effect reduce 1953 budget to a figure 1,554 dollars below budget appropriation for 1952.

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352. DEA/74-R-40

Le sous-secrétaire d'État aux Affaires extérieures au sous-ministre des Finances

Under Secretary of State for External Affairs to Deputy Minister of Finance

RESTRICTED Ottawa, October 2, 1952

Mr. David Morse, Director-General of the International Labour Organization, called on me yesterday to discuss the size of the ILO budget. Mr. Morse had had earlier conversations on this subject with the Minister of Labour and the Deputy Minister of Labour, but he also wished to let me know his views.

2. Mr. Morse explained that since he has been Director-General he has endeavoured to present fair budget estimates for the consideration of the ILO Governing Body and Conference, and in the early years the Governing Body and Conference approved budgets providing for moderate increases over previous years to take account of mounting costs and increased responsibilities. Prior to the budget session of the Governing Body this year, representatives of certain governments informed Mr. Morse that their governments were alarmed at the expanding budgets of international organizations and urged him to use his influence to stabilize the ILO budget. Mr. Morse said that he well understood the position of these governments and consequently, when the budget estimates for 1953 were being considered, Mr. Morse accepted a budget figure several hundred dollars lower than that of the previous year. Although the workers' group, and to a lesser extent the employers' group, did not like this situation, Mr. Morse was satisfied that his action had been sound.

3. However, Mr. Morse pointed out to me that he had agreed to a reduction of the 1953 budget, and had so informed the government representatives who approached him, on the understanding that similar action would be taken in

other international organizations. Although Mr. Morse emphasized that he did not wish to imply criticism of other organizations, he drew my attention to the fact that the budgets of other specialized agencies have in fact been increased since the ILO budget was reduced. In view of this situation, and the pressure being brought on the ILO for expanded activities, the Director-General does not believe that he can in fairness to the organization recommend or accept for 1954 a budget of the same amount as that which was approved for 1953.

4. Mr. Morse told me frankly that he will put forward to the Governing Body and Conference the budget estimates which will in his opinion reflect the needs of the organization. However, he will be prepared for some reduction in these figures. He hopes to reach agreement, however, on a budget figure which will be perhaps 5% higher than the 1953 budget. I understand from our own files that this would mean an increase of approximately $12,000 in the Canadian contribution to ILO, assuming that the rate of our percentage contribution remains the same. Mr. Morse hoped that I would give consideration to this situation so that our Delegation to the budget session of the Governing Body and to the Conference will be able to accept some moderate budgetary increase for 1954.

5. I informed Mr. Morse that his representations would be given careful consideration here and would be borne in mind when instructions are prepared for the Canadian Delegation to the Governing Body and the Conference.

6. I thought that you would be interested in knowing of this conversation.

L.D. WILGRESS

SUBDIVISION II/SUB-SECTION II

BARÈME DES CONTRIBUTIONS
SCALE OF CONTRIBUTIONS

353. DEA/74-R-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-2413 Washington, October 7, 1952

CONFIDENTIAL

SCALE OF CONTRIBUTION TO THE ILO

Reference: Your letter V-3431 of November 29, 1951, and our letter No. 3390 of November 17, 1951.

1. At their request, we discussed yesterday the matter of the scale of contributions to the ILO with officials of the State Department. They informed us that they have been considering what the United States position should be when the ILO Governing Body considers the scale of contributions and, before taking a final decision, would prefer to know the results of General Assembly

action regarding the United States contribution to the United Nations. They wondered, therefore, if we would be agreeable to having final action on the scale of contributions taken at the March 1953 meeting of the Governing Body rather than at its November meeting. State Department officials realize that we have taken a strong interest in this matter and recalled that the Canadian representative to the ILO Allocations Committee last year had taken the lead in pressing for an upward revision of the United States contribution to ILO. They are also asking the United Kingdom and Australian Embassies for their views on postponing final action on the scale of contributions until March 1953.

2. State Department officials gave us no indication that they were contemplating a change in their position. They did point out that even if they were disposed to agree to an increase in the United States contribution to ILO, the amount of their contribution would still be subject to the limitations contained in Public Law 806 (81st Congress). We were informed that the United States delegation to the General Assembly will press strongly for a reduction in the United States contribution to the United Nations to 33⅓ percent.

3. We would be grateful to know whether or not it will be possible for you to give the State Department an informal assurance that the Canadian delegate will not press for final action on the scale of contributions at the November meeting of the ILO Governing Body.

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354. DEA/74-R-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassade aux États-Unis

Secretary of State for External Affairs
to Embassy in United States

TELEGRAM EX-2084 Ottawa, October 28, 1952

CONFIDENTIAL

SCALE OF CONTRIBUTION TO ILO

Reference: Your telegram WA-2413 of October 7, 1952.

While there is a good case for pressing for an increase in the United States contribution we realize that the unusual circumstances surrounding the November meeting of the Governing Body will probably prevent us from achieving our objective at that time. The presidential and congressional elections and discussions on contributions at the United Nations General Assembly will make it difficult for the United States delegation to consider an increase in their ILO assessment at the November meeting. The United States might be more receptive to an upward adjustment at the March meeting.

2. In the circumstances it will be in order for you to tell the State Department officials informally that we are prepared to support at the November meeting a move to postpone until the March meeting final action on the scale of contributions, provided the State Department officials will give you informal assurance that they will give sympathetic consideration to the problem when it is raised in March.

3. Paragraph 3 of telegram No. 31 of October 20† from the Canadian Delegation to the General Assembly, copy of which was referred to you, suggests that such assurance may be forthcoming.

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355. DEA/74-R-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-2568 Washington, October 30, 1952

SCALE OF CONTRIBUTION TO THE ILO

Reference: Your teletype EX-2084 of October 28.

Addressed External No. WA-2568, repeat Permdel, New York No. 394.

2. We told Mulliken, Officer in Charge of United Nations Social Affairs, informally that you would be prepared to support a move to postpone final action on the scale of contributions until the March meeting. Mulliken assured us that State Department officials will give sympathetic consideration to this problem when it is raised in March.

SECTION B

ORGANISATION DES NATIONS UNIES POUR L'ÉDUCATION, LA SCIENCE ET LA CULTURE
SEPTIÈME SESSION DE LA CONFÉRENCE GÉNÉRALE,
12 NOVEMBRE-11 DÉCEMBRE 1952

UNITED NATIONS EDUCATIONAL, SCIENTIFIC AND CULTURAL ORGANIZATION
SEVENTH SESSION OF GENERAL CONFERENCE,
NOVEMBER 12-DECEMBER 11, 1952

356. DEA/5582-AK-5-40

Le secrétaire d'État aux Affaires extérieures au ministre en Suisse[1]

Secretary of State for External Affairs to Minister in Switzerland[1]

DESPATCH No. J-224 Ottawa, October 14, 1952

CONFIDENTIAL

CANADIAN DELEGATION TO THE 1952 UNESCO CONFERENCE

Attached for your information is a copy of a letter† dated October to the Director-General of UNESCO, informing him of the composition of the Canadian delegation to the Seventh Session of the General Conference, which is to be held in Paris from November 12 to December 10, 1952. You will notice that Mr. E.H. Norman will be attending the Fourth Meeting of Representatives of National Commissions as observer for Canada and that Mr. J.E.G. Hardy (who dealt with United Nations financial matters from 1948-50 when on loan to the Department of Finance) will be the Canadian representative on the Budget Committee which meets ten days before the General Conference.

2. In view of your extensive experience with UNESCO matters, both as Chairman of previous delegations and as a member of the Executive Board, it would seem appropriate that you should be elected to one of the ten Vice-Presidencies at the Seventh Session. This would ensure Canadian representation on the Steering Committee of the Conference and would be a suitable recognition of Canada's substantial contributions to UNESCO. You will recall that the only other occasion when Canada received this honour was in 1948.

3. As you are probably aware, the Executive Board has recommended that a Legal Committee of fifteen members be elected to consider amendments to the Constitution and the Rules of Procedure. The Canadian delegation will have a member especially qualified to deal with legal matters, Mr. Paul Gerin-Lajoie, who would seem to be a logical choice for membership on the Legal Committee. Mr. Paul Gerin-Lajoie is a Montreal lawyer and former Rhodes Scholar who has gained considerable renown as an authority on the Canadian constitution.

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[1] Victor Doré.

4. A recommendation that Canada support Sir Sarnepalli Radhakrishnan, the Chairman of the Indian delegation, for the Presidency of this year's Conference is included in the instructions being prepared for the delegation. This recommendation is based upon the need for recognizing the cultural contribution of South East Asia and upon the outstanding qualifications of Dr. Radhakrishnan, who is now Vice-President of India. In view of our Commonwealth association with India, it would not seem inappropriate for the initiative in this matter to come from Canada, in the event that the Executive Board has not already suggested India for the Presidency in the report it is preparing for the Nominations Committee.

5. Because of our interest in election to a Vice-Presidency and to the Legal Committee and because of our possible sponsorship of India for the Presidency, you may wish to arrive in Paris a few days before the Conference for policy meetings with members of the Canadian delegation and for informal discussions with other national delegates and senior members of the secretariat. Your long and friendly association with UNESCO will undoubtedly be very helpful in these matters.

C.S.A. RITCHIE
for Acting Secretary of State
for External Affairs

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357. DEA/5582-AK-5-40

Note de la Direction de l'information
pour le chef adjoint de la délégation
à la septième Conférence générale de l'Unesco[2]

Memorandum from Information Division
to Vice-Chairman, Delegation to Seventh General Conference of UNESCO[2]

Ottawa, October 17, 1952

At the brief policy meeting scheduled for 11:00 a.m. Saturday morning to consider the aspects of the UNESCO Conference of major importance to Canada, you may wish to discuss the following questions:

(a) *Financial Policy*

At past Conferences, Canada has gained the reputation of being a financial watchdog. Although this has its unfortunate aspects, it is a necessary role since many UNESCO projects tend to be rather obscure in their aims and diffuse in their methods. Mr. Vest of the U.S. Embassy indicated that the United States delegation will probably welcome support from Canada in checking over-ambitious schemes that often obtain the backing of member states whose contributions are much more modest.

UNESCO's proposed budget for the next two years would require an increase from $8.7 million in 1952 to $9.9 million in 1953 and a further increase to $10.8 million in 1954. The Secretariat has in fact budgeted for an expanded programme of priority projects to be financed by the more conscientious member states, with additional lower priority schemes to be undertaken only if payment of arrears is received from the usual defaulters. Arrears are estimated at 7.8% of the total budget.

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[2] E.H. Norman.

I understand that the Department of Finance will press for the stabilization of the budget at its present level, $8.7 million. Adoption of this proposal would mean the elimination of low priority schemes and concentration on high priority projects such as Technical Assistance and Fundamental Education; and it would undoubtedly require quite a drastic reduction in the programme suggested by UNESCO for 1953 and 1954. Such an approach might meet with a good deal of opposition since it would affect jobs on the Secretariat. However, since the budget for 1953-54 is apparently well padded, it is not likely that, with support from the United States and the United Kingdom, a demand for stabilization of the budget might result in a more realistic compromise of slightly over $9 million a year. This would be contributed by member states, possibly on a modified per capita basis.

One aspect of Finance's probable instructions that might generate more heat than light is the suggestion that all UNESCO Conferences be held at the Headquarters in Paris unless the prospective host country is prepared to meet the cost of transferring the Secretariat half-way across the world (approximately $300,000 per Conference). It appears to be fairly generally accepted that the 1954 Conference will be held in Montevideo. Opposition by Canada to this move would undoubtedly be extremely unpopular with the Latin American countries and probably also with other possible host countries such as Japan and India. Holding all meetings in Paris would also be contrary to the established practice of the Organization which has held previous Conferences in Mexico, Beirut and Florence. Unless Canada had some assurance of support for this proposal, the Canadian delegation might be an unpleasant voice crying in the wilderness.

(b) *Programme Priorities*

The Canadian delegation may wish to emphasize the importance of concentrating UNESCO's resources on those aspects of its programme which offer the most concrete results: Technical Assistance, Exchange of Persons and Fundamental Education. These are activities to which countries like Canada can contribute most and from which under-developed countries can benefit most. The United States has now requested that a working party be set up to study priorities and this should have our enthusiastic support since the Canadian delegation initiated the idea of priorities at the Florence Conference.

The delegation might also suggest some reduction in the number of UNESCO publications. While this might effect some improvement in the Organization's budget and reputation, it would entail no great loss to the world's cultural development.

(c) *Canada Council*

As the Government is now considering the establishment of a Canada Council which would also act as a National Commission for UNESCO, the Canadian delegation might suggest in its report ways in which a Canada Council could effectively coordinate Canadian participation in the programme activities approved by the Conference. A report on the meetings of National Commission representatives should be particularly useful as a basis for a possible submission to Cabinet after the Conference.

L. P[EEBLES]

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358. DEA/5582-AK-5-40

Le sous-secrétaire d'État aux Affaires extérieures
à l'ambassade aux États-Unis

Under-Secretary of State for External Affairs
to Embassy in United States

LETTER No. J-1641 Ottawa, October 25, 1952

CONFIDENTIAL

1952 UNESCO CONFERENCE

Reference: Your WA-8587[?] of October 21, 1952.[†]

You may wish to inform officials in the State Department concerned with UNESCO that:

(1) We definitely favour the stabilization of the UNESCO budget for 1953-54 at the 1952 level, and that we will support the U.S. delegation in all measures designed to improve administrative efficiency and economy of the organization, as well as to promote sound planning and effective execution of the programmes;

(2) We are opposed to holding the 1954 General Conference away from Paris, in line with our policy in the United Nations and the Specialized Agencies to advocate the holding of conferences at Headquarters;

(3) We do not think it necessary to have an informal meeting in Washington unless the State Department has any particular questions in mind; but our delegation, part of which has already left for France, would welcome informal discussions with members of the U.S. delegation before the opening of the Conference.

BRUCE KEITH
for Under-Secretary of State
for External Affairs

359. DEA/5582-AK-5-40

Le secrétaire d'État aux Affaires extérieures
à la délégation à la septième Session
de la Conférence générale de l'Unesco

Secretary of State for External Affairs
to Delegation to Seventh Session of General Conference of UNESCO

TELEGRAM 678 Ottawa, November 3, 1952

BUDGET COMMITTEE

Following for J.E.G. Hardy:

The Director-General has drawn attention, in Document 76/ADM/8, page 1, to the net deficit of $440,595 in 1951, which resulted from arrears of contributions for that year amounting to $1,519,009. However, he anticipates that payment of arrears by the end of 1952 will be sufficient, not only to eliminate the deficit, but to yield a net surplus.

Even if the funds are forthcoming, the practice of deficit financing is, in our opinion, undesirable. The General Assembly has recommended (Resolution 311 (iv)) that the United Nations and all Specialized Agencies should limit annual expenditures to those amounts which they can reasonably expect to receive in each budgetary year. This practice has already been accepted by the United Nations and most of the Agencies and should become the basis for future UNESCO budgetary policy.

You should use your discretion as to when these views might be brought to the Committee's attention.

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360. DEA/5582-AK-5-40

Extrait du télégramme du secrétaire d'État aux Affaires extérieures
à l'ambassade aux États-Unis

Extract from Telegram from Secretary of State for External Affairs
to Embassy in United States

TELEGRAM EX-2112 Ottawa, November 3, 1952

CONFIDENTIAL

1952 UNESCO CONFERENCE

Reference: Your WA-2565 of October 29.†

You may wish to tell the State Department that

1. We shall be glad to support the United States in its proposal to establish a working party on priorities since Canada has consistently urged that UNESCO concentrate on a priority programme. We are in general agreement with the priorities suggested, which are still being studied. . . .

2. The Canadian delegation will definitely support the United States move to establish an Executive Board of government representatives although it is

doubtful whether the amendment to Article V of the Constitution will obtain the necessary two-thirds majority.

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361. DEA/5582-AK-5-40

L'ambassadeur en France
au secrétaire d'État aux Affaires extérieures

Ambassador in France to Secretary of State for External Affairs

TELEGRAM 1015 Paris, November 16, 1952

CONFIDENTIAL. MOST IMMEDIATE.

FINANCING OF THE 1953 AND 1954 BUDGETS

Following from the Canadian Delegation to UNESCO, Paris, Begins:

1. The United States delegation will take the line that the 1953-54 budgets should be stabilized at the 1952 level of 8.7 million dollars, this ceiling figure representing the basis on which assessments would be calculated. The United States believes that such stabilization might be possible provided that special measures can be devised to compensate for the contributions which it is almost certain will not be paid. The main factor which might upset the United States expectation that a stabilized budget might receive the support of the majority is that the Latin American delegations might press for the immediate adoption of Spanish as a full working language.

2. Countries in arrear in paying their contributions may be divided into three categories:

(a) Nationalist China which, though still theoretically assessed at more than six per cent, only makes a token payment corresponding to approximately 0.15 per cent in the 1952 budget. China has now formally requested that its percentage be reduced to reflect this token payment.

(b) The three Cominform members, Poland, Czechoslovakia and Hungary, who have ceased active participation but continue to be assessed, their combined percentage in the proposed UNESCO scale for 1953 amounting to 3.32 per cent.

(c) Slow payers such as Argentina, Italy, etc.

3. The United States may propose that the reduction in the Chinese contribution should be made up by:

(a) the contributions to be received from the three new members Spain, Nepal and Libya, which would total 1.47 per cent;

(b) spreading the difference among all other members who might be prepared to accept a higher assessment. This would not apply to the United States, which enjoys a ceiling of 33⅓ per cent, or to those six countries, including Canada, whose contribution on a per capita basis is higher than that of the United States.

4. The short fall in revenue representing the contribution of the three Cominform members would be compensated by expected miscellaneous income and by available surpluses from previous years.

5. As far as arrears resulting from slow payers are concerned, the United States will argue as we will, that it is improper to sanction their conduct by providing a special "cushion" in the budget in anticipation of failures to contribute.

6. The above course, if favorably received by the conference, would eliminate the necessity for the B1 and B2 priority financing proposed by the Director-General in his budget. Furthermore, the United States hopes that this procedure will reduce the pressure for an expansion of the organization's activity beyond the A1 level on the part of those countries which might be prepared to share the reduction in the Chinese contribution.

7. As a prerequisite to our supporting the United States position, we would have to agree to a delay in the full application of the per capita ceiling principle. In effect, however, the above device would constitute a further recognition by the conference of the validity of the principle and an indirect application of it.

8. I am inclined to think that, given the particularly difficult situation facing UNESCO, the solution proposed by the United States is both ingenious and tactically sound. I should like to know, however, whether there would be any objection on political and financial grounds to my giving it full and active support.

9. Canada has been elected chairman of the committee on contributions. Hardy is serving. The first item on the agenda of the committee on Monday morning is the question of the reduction in the Chinese contribution. Instructions on this point are therefore urgently needed and account should be taken in sending them of the 5 hour time lag between Ottawa and Paris. I will assume that Canada has no fundamental objection to the United States attitude if no specific instructions have been received by the time the committee convenes for its afternoon meeting on Monday. Ends.

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362. DEA/5582-AK-5-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur en France

Secretary of State for External Affairs to Ambassador in France

TELEGRAM 711 Ottawa, November 16, 1952

CONFIDENTIAL. MOST IMMEDIATE.

REDUCTION OF CHINESE ASSESSMENT FOR 1953-54 BUDGET

Reference: Your telegram No. 1015 of Nov. 16.

Following for UNESCO delegation, Begins: We have no strong objections on either financial or political grounds to your supporting the United States proposal outlined in paragraph three of your telegram, if you are convinced that the proposal is tactically sound and that it will further the objectives contained in our financial instructions. Further comments on other points of your telegram will follow Monday by cable.

363. DEA/5582-AK-5-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur en France

Secretary of State for External Affairs to Ambassador in France

TELEGRAM 713 Ottawa, November 17, 1952

CONFIDENTIAL. MOST IMMEDIATE.

FINANCING OF UNESCO BUDGET FOR 1953 AND 1954

Reference: Your Telegram No. 1015 of November 16 and my Telegram No. 711 of November 16.

Following for UNESCO delegation, Begins: We are willing to agree to proposal outlined in paragraph 4 of your telegram under reference for the 1953/54 budget.

2. However, as the purely theoretical membership of the three Cominform states complicates financing of UNESCO and provides a false basis for planning scope of activities of the Organization, suggest you sound out other responsible delegations on the desirability of recognizing the withdrawal of above three states from the Organization. While we do not wish to take the initiative in proposing such a motion, we might be prepared to sponsor jointly, with other like-minded delegations, a recommendation to this effect.

3. In the event that such a motion is proposed and accepted by the General Conference, you should urge that these states be dropped from the list of assessments.

4. We shall be interested to have your early views on this matter.

364. DEA/5582-AK-5-40

L'ambassadeur en France
au secrétaire d'État aux Affaires extérieures

Ambassador in France to Secretary of State for External Affairs

TELEGRAM 1033 Paris, November 22, 1952

CONFIDENTIAL. IMMEDIATE.

Reference: My immediately preceding telegram.†

Following from the Canadian Delegation to UNESCO, Begins:

1. Director-General Torres Bodet resigned this morning giving as his reason the rejection by the plenary session yesterday of the 20.4 million budget level for the next two years which he and the Executive Board had been advocating.

He made it clear that he still would have resigned if his proposal had been passed by a bare majority; he added that this was only the culmination of similar disappointments and frustration in the past. If he were to continue he would have had to receive a clear mandate from the conference. Presumably this mandate would entail the support of the larger contributors.

2. He made it absolutely clear that his resignation was irrevocable: he was "burnt out", he had lost heart and faith in the organization. Consequently, even should the conference re-open the question or reverse itself on the budget ceiling, his resignation must be regarded as final.

3. Dr. Carneiro, President of the Executive Board, also resigned for the same reasons. Then the Yugoslav member of the Executive Board resigned giving as an additional reason his disagreement with the procedure by which the admission of Spain was adopted. He complained that there was lack of full and free discussion on the question.

4. There is no doubt that many observers here recognize that UNESCO is faced with a deep crisis. Although Bodet's resignation has no connection with Lie's[3] it is observed here that these events will serve to disturb public confidence in these two great international organizations. There is evident here a sense of demoralization as a sequel to these resignations.

5. As Bodet's resignation is effective today, Taylor, Deputy Director-General, will act as Director-General. Sir Ronald Adam, Vice-President of the Executive Board, will act as its chairman. We will soon be approached, by friendly delegations and officially by UNESCO, for our view on the choice of a new Director-General. We would be grateful, therefore, if you would give the matter some thought as we will be referring to you for instructions.

6. For the present we are not, repeat not, inclined towards precipitate action in choice of Director-General and this is the attitude also of the United Kingdom and United States delegations. We would wish to see the matter handled in the normal procedure, as provided by UNESCO constitution, thus giving all delegations opportunity for mature deliberation.

7. There is a possibility that some delegation may move to re-open the debate on the budget meeting. Pending further instructions on this point, we assume you would not, repeat not, wish us to give support to such a step. This might become an awkward question in view of the strong sentiment among the less developed countries who feel that the economy measures adopted by the richer powers indicate growing indifference to their own problems. Ends.

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[3] Voir le document 248./See Document 248.

365. DEA/5582-AK-5-40

L'ambassadeur en France au secrétaire d'État aux Affaires extérieures

Ambassador in France to Secretary of State for External Affairs

TELEGRAM 1034 Paris, November 24, 1952

SECRET. IMPORTANT.

DEVELOPMENTS IN UNESCO CRISIS

Reference My telegram No. 1033 of November 22, 1952.

Following from UNESCO delegation, Begins:

1. At the Steering Committee on Saturday, November 22, it was decided on United States proposal that Sharif of Pakistan be the Acting President of the general conference in the sudden absence of Radhakrishnan who had been recalled by his government.

2. United States delegation held informal meeting including United Kingdom, Australia, Norway, Denmark and Canada late that night. Three points were emphasized by members of the United States delegation:

(a) Budget question not to be reopened;

(b) Bodet's resignation is a closed incident;

(c) UNESCO must be salvaged.

United States fully supports Sharif who appeared later at the meeting and who has taken the responsibility of trying to reconcile the views of the underdeveloped and Latin American countries with those of the larger contributing powers. There is a sentiment among delegates of the former group that the richer powers are responsible for having caused the crisis by their budgetary policy.

3. Sharif initiated private talks with heads of delegations Sunday, November 23. At Steering Committee this morning he was encouraged to proceed rapidly with these talks and was asked to report to the committee tomorrow morning.

4. No plenary sessions will be held until Sharif and the Steering Committee feel that negotiations have to some extent at least solved the crisis. Meanwhile all other commissions are to carry on their business as usual.

5. German and French and possibly other delegations have suggested that if the Programme Commission, through a detailed discussion of the items of the programme, find that some of the most desired activities cannot be carried on at present budget level, the appropriate increase in the budget should be approved by the member states. This appears to us as an indirect way of trying to re-open the budget question. Ends.

366. DEA/5582-AK-5-40

L'ambassadeur en France
au secrétaire d'État aux Affaires extérieures

Ambassador in France to Secretary of State for External Affairs

TELEGRAM 1037 Paris, November 25, 1952

SECRET. IMPORTANT.

DEVELOPMENTS IN UNESCO CRISIS

Reference: My telegram No. 1034 of November 22, 1952.

Following from UNESCO, Begins: In accordance with decision made at yesterday morning's Steering Committee Mr. Sharif of Pakistan, Acting President of the conference, met privately with heads of delegations.

2. I saw him yesterday evening and following are his views: He is acting as a sort of mediator between those delegations who committed not to go above 18 million ceiling and others, mostly under-developed countries, who desired higher ceiling. In order to avoid recriminatory speeches in plenary session from those delegations who feel that resignation of Bodet was result of inflexible attitude on budget of larger contributing governments, he hoped that these latter delegations would not, repeat not, object to a policy which would tacitly permit any delegation to raise the question of supplementary budgeting after projects had been discussed in detail in Programme Commission. Those delegations who would allow this procedure would not, repeat not, be committed to promising favourable consideration to request for increased budget in any specific project. The real purpose of this would be to provide a cooling-off period. If some such method were not, repeat not, adopted he thought it would be difficult, when the plenary session convened again, to prevent delegations making requests that the budget question, in some fashion or other, be thrown open again to debate.

3. It is too early yet for us to judge whether this plan will materialize or whether it will receive the support of the delegations with which we have worked most closely on the budget. We would prefer, therefore, to adopt a waiting attitude while not rejecting the plan out of hand. In the meantime, I should be grateful for any comments you would wish to make. Ends.

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367. DEA/5582-AK-5-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur en France

Secretary of State for External Affairs to Ambassador in France

TELEGRAM 729 Ottawa, November 25, 1952

SECRET

Reference: Your telegram No. 1037, November 25.

Following for UNESCO Delegation, Begins: We have found your series of messages on the UNESCO crisis most helpful and informative and we agree with the general line you are taking.

2. We have had from New York an indication of Mr. Pearson's reaction on the basis of the limited information available in the press there. He feels that the proposals for budgetary stabilization are reasonable and sound and he sees no reason for the Delegation to alter its stand. He also subscribes to the view attributed to the head of the United States Delegation inferring that Bodet should have been willing to abide by a budgetary decision "democratically arrived at".

3. Discussion of supplementary budgeting has obvious dangers, but if it were to show promise as a device for letting off steam without leading to an increased budget there would be arguments in its favour. We agree you should adopt a waiting attitude and keep in touch with the Delegations with which you have been consulting. In general our view is that efforts should be made to soothe the feelings of the underdeveloped countries without increasing the budget or reversing decisions already reached. Ends.

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368. DEA/5582-AK-5-40

Le secrétaire d'État aux Affaires extérieures
aux chefs de mission

Secretary of State for External Affairs to Heads of Post

CIRCULAR DOCUMENT No. B.12/53 Ottawa, February 18, 1953

CONFIDENTIAL

I transmit herewith the document listed below.

E.H. NORMAN
for the Secretary of State
for External Affairs

[PIÈCE JOINTE/ENCLOSURE]

REPORT

CONFIDENTIAL

REPORT OF THE CANADIAN DELEGATION TO THE SEVENTH SESSION OF THE GENERAL CONFERENCE OF UNESCO, PARIS, NOVEMBER 12-DECEMBER 11, 1952

It has become customary to refer to various General Conferences of UNESCO in terms of crises and turning points. The Seventh General Conference held at Paris from November 12th to December 11th, 1952, was no exception. It is no exaggeration to say that this was a critical conference for UNESCO; it would be incorrect to say that the crisis has been happily surmounted and that the Organization can now proceed confidently on a stable course. The different national conceptions of the work which UNESCO can and should do caused a serious rift midway through the conference and at its close there had been only a patchy and uneasy bridging of the rift.

The Canadian Delegation to the Seventh General Conference of UNESCO consisted of the following:

Chairman:	Dr. Victor Doré, Canadian Minister to Switzerland and Austria
Vice-Chairman:	Mr. E.H. Norman, Department of External Affairs
Delegates:	Mr. T.A.M. Kirk, M.P. for Digby-Yarmouth Mr. Garnet T. Page, General Manager, Chemical Institute of Canada Mr. Paul Gérin-Lajoie, Montreal lawyer
Alternate Delegate:	Miss M.E. Conway, President Canadian Teachers' Federation
Adviser:	Mr. René Garneau, Department of External Affairs
Financial Adviser:	Mr. J.E.G. Hardy, Department of External Affairs
Adviser and Secretary:	Mr. Blair Seaborn, Department of External Affairs

Site of the Eighth General Conference of UNESCO

The action taken by the Sixth General Conference commending to the Seventh Conference the invitation of the Government of Uruguay to hold the Eighth Conference at Montevideo virtually predetermined the decision. Several delegations stressed the extra cost of holding general conferences away from the permanent headquarters of the Organization — an extra cost which could only be met by funds which otherwise would be devoted to programme activities. They also stressed the difficulties and disorganization for the secretariat. Some countries warned that the distance and the additional cost would make it impossible for them to send full delegations, or perhaps any delegations at all. It was known, moreover, that the more responsible members of the secretariat were opposed to holding the next General Conference at Montevideo. Nevertheless, the argument that this was an effective way of publicizing UNESCO and making its work known on the South American continent — in our opinion a rather specious argument — won the day. When it came to a vote, the Conference voted 28-13-12 in favour of Montevideo. It is expected that the 1954 Conference will be held in May or September of that year; the decision rests in the hands of the Executive Board.

Admission of New Members to UNESCO

The admission of Nepal and Libya created no difficulties. The admission of Spain, however, aroused strong feeling among those few delegations which strongly opposed admission, and caused uneasiness amongst delegations which did not wish to take a strong stand either way. Somewhat weakly, and with obvious relief, the General Conference accepted a resolution precluding debate on the admission of Spain, which was voted by the large majority of 44-4-7. Spain's admission without debate led the Yugoslav member of the Executive Board to announce his resignation (which he later agreed to withdraw until the National Commission could review the issue) and resulted in the resignation of a member of each of the French and Belgian delegations. We voted in favour of Spain's admission on the ground that UNESCO's objective was universal membership and that it was a non-political organization. It is to be hoped that the Spanish Government will co-operate in action and in spirit with the work of UNESCO, for otherwise there will certainly be recriminations at succeeding conferences about its admission.

Withdrawal of Poland

A letter was received from the Polish Embassy in Paris in the last days of the Conference denouncing the nature of the Organization and announcing Poland's withdrawal from membership. This can be construed as the answer of one Iron Curtain country to the admission of Spain. It was not a startling development because Poland, Czechoslovakia and Hungary had not taken part in the work of the Organization since the Florence Conference. But it may possibly presage the withdrawal of Iron Curtain countries from other Specialized Agencies in the work of which they have ceased to participate. A letter has been sent from UNESCO urging the Polish Government to reconsider its decision, but it seems highly improbable that this will have any effect, particularly since Hungary and Czechoslovakia have announced since the conference their intention of withdrawing.

Debate on the Budget Ceiling

The programme and budget estimates prepared by the Director-General, Dr. Torres Bodet, and approved by the Executive Board for presentation to the General Conference, called for a budget of $20,400,000 for 1953 and 1954. This, according to the Director-General, was the minimum necessary to carry out the essential parts of UNESCO's programme. This figure represented a substantial increase over the budget ceiling of $8,700,000 for the year 1952.

The debate on the budget ceiling, which was held a little over a week after the beginning of the conference, probably was the most critical of the session. On the one side were those countries which supported the Director-General's entire programme and considered that it constituted one more modest step in the direction of a constantly expanding UNESCO programme. They saw an almost limitless field of worth-while projects in education, science and culture, and thought that only through UNESCO could these worth-while projects be initiated. Although the division of countries into those which thought in this expansive way and those with a more conservative bent was not entirely clearcut, predominant among the former were the Latin American countries, plus some of the more important countries of Asia and Africa. It was easy not to have much sympathy for the plea for expansion put forward by the Latin American countries. But it was more difficult to ignore and remain untouched by the words of the delegates from the underdeveloped countries of Asia and Africa, who argued quite sincerely that great promise had been held out to them by the more advanced countries in the early days of the Organization, while it now seemed that they were being betrayed and forgotten.

On the other side, those countries which spoke in favour of a more modest budget, including the United States, the United Kingdom and ourselves, used the argument of heavy commitments in other fields and the inability to give unlimited funds to UNESCO. This argument did not go down well with countries less rich than ourselves, especially when the budget for UNESCO is, relatively speaking, a small one. The United States put forward a very good defence for a reduced budget, saying that the amount of money which we were all willing to give to the furtherance of UNESCO's work should not be considered merely as the total of our contributions to the Organization itself. We could do a great deal to further its work by giving greater assistance to National Commissions and to the non-governmental organizations which cooperate with UNESCO, and by making funds available for exchange of persons projects. This approach is certainly a more positive one than that of limited ability to pay; but we and other friendly delegations should have been in a position to couple with it a more constructive and critical approach to specific programme items so as to explain why we were not willing to give all the money which the Director-General wanted.

A compromise proposal providing for a budget ceiling of $18,000,000 for the two years was finally put forward late in the discussion and was carried by the rather narrow majority of 29-21-4. The closeness of the vote showed how far from unanimous was the feeling of the General Conference as to the nature of the Organization.

Although the ceiling of $18,000,000 will mean a higher assessment for the forthcoming two years, the money available for the programme each year actually will be less than in the year 1952. There will be an effective spending budget of just over $17,000,000. Finally, it will cost, approximately, an additional $300,000 to hold the Eighth Conference in Montevideo rather than in Paris. Secondly, non-recurring funds were used in 1952 to cover the expected shortfall in contributions and to permit the carrying out of projects which could not otherwise have been financed. This year no such funds are available. Thirdly, the estimated annual percentage of contributions considered uncollectable rose from 7.5 per cent in 1952 to 9.2 per cent in 1953-54. For all these reasons, there will be reduced programme activity.

One of the causes of the budget crisis was constitutional vagueness concerning responsibility for preparation of the programme and budget estimates. In theory, the Executive Board prepared the programme and the Director-General assembled the budget estimates necessary to implement it. There was considerable evidence that, in fact, the programme was largely Dr. Bodet's, and that some members of the Executive Board had expressed serious misgivings about the acceptability to Member States of his proposals. During the conference, the constitution was amended to give the Director-General full responsibility for the preparation of the programme and corresponding budget. The Executive Board will submit these to the General Conference with its recommendations. This clarification of the respective powers and responsibilities of the administrative, executive and legislative organs should help the work of future conferences and lessen the chance of conflicts.

The Budget Committee was hampered in its consideration of the budget estimates prior to the opening of the General Conference by the Director-General's insistence that it neither examine the relative merits, in financial terms, of the projects in the programme, nor relate the proposed budget to the general financial policies of the fifteen Member States on the Committee. It was, therefore, limited to a rather meaningless analysis of the costing accuracy of each project. Fortunately, the Budget Committee for the 1954 conference has been transformed into an Advisory Committee on Programme and Budget with enlarged terms of reference. It will have full power to examine, before the General Conference opens, the programme and budget of the Director-General, as well as the Executive Board's comments on them. It will also examine and advise on new proposals by member states or the Executive Board. Such a committee should facilitate the work of the General Conference through the elimination of the artificial distinction between the substantive and budgetary aspects of programme projects. Canada again was elected to serve on this Committee.

Resignation of the Director-General

On November 22, the morning after the budget was fixed, Dr. Bodet announced, with great emotion his intention of resigning his post as Director-General of UNESCO. He said that he had "burned himself out" in his efforts to make the Organization what he thought it could and should be. Faced with a choice between retreat, stabilization, or advance by the Organization, the Executive Board and he himself had spoken in favour of advance, but the Conference had, in his opinion, chosen retreat. He said that he had lost heart and faith and could no longer continue in this job. He would, he said, have resigned even had his proposed programme and budget been accepted by the General Conference by a small majority. He could not carry on unless he thought that a large majority of the member States were whole-heartedly behind him in his endeavours. He said very plainly that his resignation was irrevocable, and everyone realized that it was not the same sort of rather petulant resignation which he had handed in during the Florence Conference. His resignation was followed by that of Dr. Paulo Carneiro of Brazil, the Chairman of the Executive Board, who associated himself fully with the Director-General's statement.

It is still too early to judge whether the crisis of the budget and the resignation has been surmounted successfully. As was pointed out after the resignation of Dr. Bodet by Mr. Malik, Indian Ambassador to France and head of the Indian Delegation in the absence of Sir Sarvepalli Radhakrishnan, the repercussions in distant countries, particularly less-developed ones such as his own, could not be gauged by those sitting in the conference rooms of UNESCO. In the narrowest sense, the problem is unresolved. Whatever criticisms may be levelled at Dr. Bodet, he was a powerful personality who commanded the respect of all those who have worked with him. He had considerably improved the administrative efficiency of UNESCO, and he kept before him the highest ideals of the Organization. He may have been tactless in some quarters, and no doubt he may have made enemies where, by greater tact or conciliation, he could have made friends. But his absence was keenly felt in the latter sessions of UNESCO, particularly in the Programme Commission, where a weak chairman was unable to get satisfactory guidance from the Acting Director-General or his assistants. Thus the choice of a suitable successor presents a real problem.

To carry on in Dr. Bodet's place, the General Conference appointed Dr. John W. Taylor, Dr. Bodet's deputy, to serve as Acting Director-General until a new Director-General is appointed. This will take place at an extraordinary session to be held in the spring of 1953. Dr. Taylor, an American, formerly a university president, is well qualified to be Acting Director-General for a short time. He is able and intelligent, but does not have the dynamism of Dr. Bodet. He would not be a suitable person to act as permanent Director-General, and apparently is aware of this himself.

The Efforts at Reconciliation

The day before Dr. Bodet's resignation, Sir Sarvepalli Radhakrishnan, President of the General Conference, had left hurriedly for India at Mr. Nehru's request. To succeed him as Acting President, the steering committee chose Mr. S.M. Sharif, the Head of the Pakistan Delegation, a senior official in the Pakistan Ministry of Education. It proved a wise choice. During the course of the next three days, Mr. Sharif was in constant consultation with the heads of delegations, trying to bring together their conflicting points of view and to have them agree upon a course of action for the remainder of the conference. In these efforts he was able to achieve much success. Those who had voted for the higher budget ceiling were not happy about the necessity of cutting the programme. But through Mr. Sharif's mediation they were persuaded to proceed to a critical examination of the programme to decide where reductions could best be made to bring the programme within the limits of funds that would be available in the course of the next two years.

Work of the Programme Commission

When the Programme Commission began a detailed examination of the programme and budget estimates, it had before it suggestions already made by the Budget Committee whereby savings could be affected in carrying out the programme as drawn up by the Director-General. The Administrative Commission was able to effect certain other savings, particularly in respect of the Eighth General Conference, and of the Office of the Director-General and the New York Liaison Office. The Programme Commission and the various working parties which were set up under it had to work on the assumption that only A.1 priorities could be carried out in the years 1953 and 1954 and that all A.2, B.1 and B.2 priorities would have to be deleted from the programme. They had, moreover, to look for savings of approximately 7.8 per cent in the A.1 priorities in order to bring the programme within the limits of funds available. The figure of 7.8 per cent hung like the sword of Damocles over the heads of the working parties and there were many expressions of regret that certain projects had to be abandoned because of budgetary restrictions. From our point of view, this sword was not altogether unfortunate as it helped us to press for the elimination of many projects, the value of which we doubted. By and large, no projects, which the Canadian Delegation favoured were sacrificed. Had the budgetary limitation not been present, many projects would undoubtedly have been included against our wishes.

Establishment of Priorities

A working party on the Future Programme and Development of UNESCO was set up at this conference to examine an item proposed by the United States on the "establishment of priorities". In its report, which will be referred to member states for comments to assist the Director-General in the preparation of the programme for 1955-56, the Working Party divided the activities of the Organization into three categories: (i) established services activities, i.e., the techniques and methods used in carrying out the permanent purposes or the particular programmes of UNESCO; (ii) programme activities corresponding to the present budgetary level; (iii) priorities for a programme corresponding to a higher budgetary level.

The activities of the Organization are so heterogeneous, its membership is so varied, the conceptions of its purposes are so different among various groups that the problem of defining priorities always will be arduous. European countries, for example, tend to regard UNESCO as the successor to the Centre for Intellectual Cooperation of the League of Nations; while underdeveloped countries are more interested in fundamental education than intellectual cooperation on a higher plane. There is, moreover, a certain vested interest on the part of the Secretariat in maintaining the equilibrium which has been worked out over seven experimental years among the various programme departments and their activities. Nevertheless, the General Conference has recognized the desirability of establishing priorities. The fact that certain fields have been selected for special emphasis is in line with Canadian thinking on concentration of effort and represents an achievement on which it should be possible to build in the future.

Administration of the Working Capital Fund

Against strong objections by the Canadian representative, the Administrative Commission approved advances of up to $300,000 from the Working Capital Fund for (a) requests made by the United Nations related to emergencies connected with the maintenance of peace and security, or (b) salary adjustments made necessary by fluctuations in the cost of living. We approved of the first category but spoke strongly against use of the Working Capital Fund for salary adjustments, which we thought could not be considered in any way as "unforeseen and extraordinary" expenditures. We also objected to no avail to the principle of financing the UNESCO Institutes in Germany (we spoke in favour of the Institutes' work) out of the Working Capital Fund, should it be impossible to finance them out of the regular budget. On these two matters of principle concerning the Working Capital Fund, we were as a voice crying in the wilderness: even the American Delegation, which usually kept a Congressional eye on money matters, was unable to support us.

Permanent Headquarters

Discussions regarding the permanent headquarters for UNESCO were confused half-way through the conference when the French Government announced that it must withdraw its offer of the site at the Porte Maillot on the edge of the Bois de Boulogne. Complete plans for a building had been drawn for this site, and it seemed for a short time that it would be impossible at this conference to reach any firm decision about the building. However, the French Government was pressed into making a new offer to UNESCO, and this time it proposed the site at the Place de Fontenoy near the Ecole Militaire, which originally had been offered, but had been rejected as unsuitable by the panel of five architects which is advising UNESCO in this matter. In renewing its offer of the site of the Place de Fontenoy, the French Government agreed to reimburse the Organization in the amount of $90,000 for expenses incurred in drawing plans for the other site. It also offered to withdraw the restrictions on the Place de Fontenoy site which previously had made this ground unsuitable. The French Government renewed its offer of an interest-free loan, repayable over 30 years, of approximately $6,000,000 to finance the building. Agreement in principle to acceptance of the new offer was reached, subject to final ratification at the extraordinary session in the spring of 1953, after the architects have drawn up new plans. There is every possibility that agreement will be reached in the spring and that building can proceed. If this is the case, UNESCO should have its permanent headquarters in good time for the Ninth General Conference in 1956.

Composition of the Executive Board

A long but fruitful debate was held in the Administrative Commission on the amendment to the Constitution proposed by the United States, which would have had the effect of electing to the Executive Board representatives of national governments rather than persons chosen in their individual capacities. Those in favour argued that such a change would make for closer cooperation between the Executive Board and the governments of member states in the period between ordinary sessions and in the formulation of the programme and budget estimates for future years. They hoped that through closer liaison with national governments it would be possible to avoid the type of crisis over the programme and budget which occurred in 1952. Those opposed argued that the Executive Board should be above national direction and pressures, and should serve not member states but the Organization as a whole. Canada played an active part in amending the original amendment to meet some of the objections and the amendment as finally phrased was much more acceptable. However, an Indian resolution to defer decision until 1954 gained the support of those who were opposed and those who were undecided, and was carried by a vote of 25-19-1, with 14 absent. This comparatively close vote may indicate a discouraging prospect for the future. However, there is, in our opinion, a fair chance of having the principle of the United States amendment accepted at the next General Conference if we continue to press the point with other member states between now and 1954.

Following defeat of the revised amendment, changes were made to adapt the Executive Board to a system of biennial conferences. It was agreed that the Board should be composed of 20 rather than 18 members and that each member should serve for a period of four rather than three years. One half of the Board will retire at each ordinary session so that, once interim arrangements concerning numbers have been worked out, ten new members will be elected at each ordinary session.

Elections to the Executive Board

The members who were to retire in 1953 had their term of office extended to 1954. Professor Vittoro Veronese was elected to serve out the term, until 1954, of the late Count Jacini, the Italian member. The eight new members elected to the Executive Board are as follows (in order of votes received):

Mr. Luther Evans	U.S.A.
Mr. Henri Laugier	France
H.E. Ventura Garcia Calderon	Peru
H.E. Toru Hagiwara	Japan
Mr. Luang Pin Malakul	Thailand
H.E. Dr. G.A. Raadi	Iran
Prof. Oscar Secco Ellauri	Uruguay
Prof. Jakob Nielsen	Denmark

The Yugoslav member, who had announced his resignation over the admission of Spain, was persuaded to let it stand in abeyance pending consideration by the Yugoslav National Commission and Government. Should he renew his resignation, it will be necessary to elect one more member to replace him.

Legal Questions

A Legal Committee, on which Canada served, was set up at the conference to consider the many amendments to the constitution, rules of procedure and various directives, consequent upon the adoption of a system of biennial conferences. Canada was elected to the Legal Committee for the 1954 conference, but it is not expected that the Committee will have as heavy a load as it had at this conference.

Composition of Canadian Delegations

The delegation was able to take an active part in all matters discussed at the conference. It is important that we continue to send capable representatives on the administrative and budget side. This is an essential part of the delegation's work and Canada has come to be relied upon by other delegations to produce competent personnel. It would, however, be useful if we could increase the number of programme specialists who, by background and by careful study of the programme and of their instructions, could bring an intelligent and critical approach to proposed programme activities. Mr. Page and Miss Conway were particularly helpful in this regard. If we can strengthen our delegations in this manner for the 1954 and successive conferences, we shall be able to enhance our own reputation and to help to produce a reasonable and worthwhile programme for the Organization.

Conclusions

It is interesting to draw some comparisons between the United Nations and UNESCO. A paramount factor in the United Nations is the presence of the Soviet Union and its satellite countries with the resulting basic alignment of the members of the United Nations into the pro- and anti-Soviet blocs. While this division is not clear-cut in all cases, it stands as the ultimate fact. No doubt it makes our job there particularly trying and difficult, but the existence of the division tends to draw together those countries which are not of the Soviet bloc, and to minimize to a degree the differences among them.

In UNESCO, on the other hand, there is no Soviet bloc to cause a polarization of opposition forces and we are left with those countries which, to a greater or lesser extent, we consider friendly. We must face the fact of these differences among friends and attempt to propose workable solutions. Otherwise, numbers of potentially friendly countries will adopt an aloof and cold attitude towards us which can only play into the hands of Communist propagandists.

There are a number of ways we can look at Canadian participation in UNESCO. One is that it is an organization to which we give, but from which we also receive. This has not been sufficiently recognized in Canada so far, but our scientists, our educators, our social scientists and others are beginning to realize that they can draw positive advantages from at least some of UNESCO's projects. We can also look upon UNESCO as a channel for helping the less-developed countries of the world. This is a perfectly valid reason for supporting the Organization, and is the same as that which lies behind our policy of support of the Colombo Plan.

Finally — and this is perhaps the most important — we can look upon UNESCO as one of the instruments of our general foreign policy. Whether or not we are particularly enthusiastic about some of the projects which UNESCO is carrying out, the fact remains that, particularly among the under-developed countries, UNESCO is looked upon as one means, almost the only means, of carrying out certain thoroughly desirable projects in the fields of education, science and culture. If we can approach UNESCO in an imaginative and constructive spirit, it would, we are convinced, make a very good impression on those countries of Asia and Africa which we are trying in all ways to win to our side. We are, at the moment, looked upon as a very budget-minded country, a rather niggardly country in UNESCO matters. We are either suspected or even disliked on this account even though our technical competence may be respected. The Canadian Government might well consider an increased budget for the organization and consequently an increased Canadian contribution not merely as a means of increasing UNESCO's prospects, but rather as an investment in goodwill.

In spite of these remarks, we do not wish to imply that a greater contribution to UNESCO is the only way of achieving the desirable goal of more assistance to and better understanding with the under-developed countries. We could do much more in the UNESCO field if we had a National Commission or some agency which would perform the functions of a National Commission. We could give funds more generously to the international non-governmental organizations which assist in UNESCO's work. We could provide more money for an exchange of persons programme which would fall under the aegis of UNESCO. In these endeavours, it would be easier to keep the name of Canada prominently displayed, whereas with a greater contribution to UNESCO itself, our share would tend to be lost in the general budget. Nevertheless, we think that the two are complementary, and that a more liberal use of government funds in both fields would help to further our general policy of assisting the under-developed countries in the world, particularly those in Asia and Africa.

The deeper aspects of the crisis at this year's conference arose from the clash of concepts as to the potentiality and proper purposes of the organization as seen by representatives of the less-developed countries on the one hand and of the major contributors on the other. The debate on the budget, which gave rise to Dr. Bodet's resignation, released an extraordinarily frank and even bitter attitude on the part of some delegations. They charged that the greater powers, having stimulated the hopes of the world at the end of the war concerning the peaceful and constructive role of UNESCO, were now, with their greater interest in other matters, particularly rearmament, prepared to abandon their ideals. While it is true the amount involved, less than $3,000,000, representing the difference between the Bodet budget and the one adopted, was not a significant amount, those who objected to paring the budget could not or would not see that the difference arose not just as a matter of penny-pinching, but out of the different concepts of the purposes to which UNESCO should be devoted. Thus a number of countries, including Canada, have felt that real economies could be effected in certain areas if projects were slashed or even abandoned; the funds saved in this way would be used to increase the emphasis on Fundamental Education and Technical Assistance.

If, in the immediate future, the larger contributing countries can show that they have not abandoned their interest in helping less-developed countries in the fields of fundamental education and technical assistance, then the rift emphasized by the resignation of Dr. Bodet can to a large degree be closed. There is no doubt that the United States delegation, for example, was to a greater extent than the United Kingdom delegation, determined that UNESCO must go on regardless of difficulties. To abandon it now would not only tend to disappoint, if not to embitter, peoples in South-East Asia, Africa and the Middle East, but would destroy a bridge which serves to some extent to surmount the gap between underdeveloped countries and large contributors. If this gap is widened and the bridge utterly destroyed, those who benefit most will be Communists and their allies. For this basic reason, it should be emphasized that it is in the best interests of Canada and its allies to maintain UNESCO and, if possible, to build up its prestige and activities in these fields which are of primary interest to the less-privileged nations.

SECTION C

UNION POSTALE UNIVERSELLE, TREIZIÈME CONGRÈS, 14 MAI-12 JUILLET 1952
UNIVERSAL POSTAL UNION, THIRTEENTH CONGRESS, MAY 14-JULY 12, 1952

369. DEA/9258-40

Note du sous-secrétaire d'État adjoint aux Affaires extérieures pour le sous-secrétaire d'État aux Affaires extérieures

Memorandum from Assistant Under-Secretary of State for External Affairs to Under-Secretary of State for External Affairs

Ottawa, January 3, 1952

CANADIAN PARTICIPATION IN THE XIIITH UNIVERSAL POSTAL CONGRESS[4]

The above-mentioned Congress is to be held in Brussels from May 14 to June 30, 1952. Canada has been invited to participate by the Belgian Ambassador's Note of October 6, 1951.

A letter was accordingly sent to the Deputy Postmaster General on December 14, 1951, asking that this Department be informed of the proposed Canadian representation at the Congress so that Cabinet approval could be sought. Replies dated December 15 and 28, 1951, have been received from Mr. Turnbull, stating that the Post Office Department proposes to send representatives to this Congress, and that the Canadian Delegation will be comprised of the following technical Post Office officials:

Walter J. Turnbull	Deputy Postmaster General, Head of Delegation
J.L.A. Gagnon	Director of Administration, Delegate
H.N. Pearl,	Superintendent, International Mails, Delegate
C.E. Bingleman	Secretary to the Delegation, Functionnaire Attaché

It was also requested that this information be communicated to the Belgian ambassador.

As you know, the accepted procedure with regard appointments to international conferences and meetings calls for the initial review by the Department of all proposals involving Canadian participation before submission to Cabinet for approval. (Cabinet Directive No. 9, attached.)†

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[4] Note marginale :/Marginal note:
I could take this up with Turnbull if you agree. There is merit in the suggestion that the Canadian Ambassador be on the Delegation. I presume he should be Head of it; if so Turnbull could be Deputy Head? J. L[éger]

The Deputy Postmaster General has obviously been misled by the procedure followed by this Department in 1946 and 1947, when the attendance of Canada to the XIIth Paris Congress was being considered. The French invitation to the XIIth Congress was at that time referred to Mr. Turnbull with the added suggestion that "he would no doubt wish to consider the selection of our representatives and to arrange for their appointment by Order in Council". We asked for the names of the delegates simply for transmission to the French Ambassador.

This would also explain the direct submission concerning Canadian representation at the forthcoming Congress which was made to Cabinet by the Postmaster General, Mr. Rinfret, on December 15, 1951. Mr. Pearson has since cleared the question of the correct procedure with Mr. Rinfret. (Mr. Pick's memorandum of December 20, 1951, refers.)

I think that the officials proposed by the Post Office Department are eminently well suited to represent Canada. It would perhaps be prudent to invite our Ambassador in Brussels to be a member of the Canadian Delegation, however, since the meetings of the Congress are to be held in that City. Besides the matter of courtesy, questions of policy might warrant the attachment of a senior officer of our Embassy in Brussels as Adviser to the Delegation. This last question is of course one for the United Nations Division to look into and advise, and for this reason copy of this memorandum is being referred to them for attention.

It would therefore seem appropriate to remind Mr. Turnbull at this stage that the proposed representation of Canada at the XIIIth Universal Postal Congress should first be reviewed by this Department in accordance with Cabinet Directive No. 9, after which a Recommendation to Cabinet, joined in by both External Affairs and the Post Office Department, could be made. You may, if you agree, wish to do this informally by means of a telephone call to the Deputy Postmaster General.[5]

J. L[ÉGER]

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[5] Note marginale :/Marginal note:

Mr. Léger. Please take up with W.J. T[urnbull] — you will have to apply tact & firmness! I sh[ould] think a lesser member of Brussels Embassy w[ou]ld be better than Ambassador — W.J. T[urnbull] will want to be head of delegation & I think sh[oul]d be. A.D.P. H[eeney] Jan. 4

370. DEA/9258-40

Note de la Section des conférences internationales pour le sous-secrétaire d'État adjoint aux Affaires extérieures

Memorandum from International Conferences Section to Assistant Under-Secretary of State for External Affairs

CONFIDENTIAL Ottawa, January 19, 1952

COMPOSITION OF THE CANADIAN DELEGATION TO THE XIIITH UNIVERSAL POSTAL UNION CONGRESS

A reply has now been received from the Deputy Postmaster General to our letter of January 16 on the above-mentioned subject (attached for your information).† Mr. Turnbull has chosen to ignore our reference to the necessity for a joint recommendation to Cabinet, and dealt only with the question of our Department's representation on the Delegation. On this matter, his views on the possible role of Mr. A.C. Smith of our Embassy in Brussels are few and to the point:

a) The Post Office Department officials "will be in a most direct relationship with the Belgian Postal officials, much more so than in fact any Embassy could hope to be;"

b) As regards advice on foreign policy, "the only question that can possibly come up will be the old one of membership of Communist China in the Postal Union and the Delegation will be aware of the attitude to take before leaving Canada."

I do not know Mr. Turnbull but am beginning to realize the meaning of Mr. Heeney's comments of January 4, 1952, that we "will have to employ tact and firmness." As I see it, two courses are now open to us: we can ignore Mr. Turnbull's comments, or we can consider them. If we do, we have a choice of two evils: either we persevere in having Arnold Smith included in the Delegation, or we decide to withdraw his name. If we leave Mr. Smith as adviser, his position with Mr. Turnbull as Head of Delegation may well be that of the dog in the manger. He may, of course, be consulted on "the question of the entertainment to be provided by the Canadian Delegation to Congress delegates," since Mr. Turnbull points out in his letter that "there is a field in which Mr. Smith could be particularly useful." (The conception that officers of the Department of External Affairs are experts in balancing tea cups is apparently still alive in Mr Turnbull's mind.)

On the other hand, we may decide against Mr. Smith's attendance. In so doing, however, we are recognizing implicitly that the Universal Postal Union, although one of the specialized agencies of the United Nations, is none of our business, a course of action which Mr. Turnbull undoubtedly hopes we will take. The implication of such a step would be far-reaching, as it would give grounds for a number of Government Departments to take a determined stand against our right of review of Canadian participation in the meetings of those of the Specialized Agencies with which they are primarily concerned. Even if this were not so, we would still have to fight the battle all over again should questions in which the Department might have a substantial interest crop up at future Congresses of the Universal Postal Union as happened, for instance, at the 1947 Congress in Paris. (However, Mr. Turnbull has said, albeit with tongue in cheek, that he shall be "glad to have Mr Smith's name included in the Delegation.")

The position as I see it is not an easy one about which to recommend a firm course of action. Mr. Smith is definitely too senior a man at our Embassy to be troubled with mere problems of staff and entertainment. On the other hand, General Pope, in his telegram No. 7 to us of January 10,† considers it inadvisable to use one of the junior officers on his staff as adviser to the Canadian Delegation to the Universal Postal Congress. There is this possibility, however, that our Ambassador has given too much weight to our request of January 8 for a political adviser. Be it as it may, in the views of the United Nations Division, the Department does not have a substantial interest in the discussions scheduled to take place at the Congress. Mr. Turnbull says that Mr. Smith could be useful in seeing that "we are furnished with any necessary stenographic, translation assistance as required."[6] We could readily arrange for this by a letter to our Embassy in Brussels. Out of pique we might even, if we are not to have one of our officers attached to the Delegation, refuse to have anything to do with the Delegation's entertainment problems, even though the Congress will still be sitting on July 1st, our national holiday. After all, considering that the reception will likely include, among the guests invited, all of the Canadian colony, besides members of the Diplomatic Corps, the imposition of some four hundred postal delegates would be rather taxing on the Embassy's resources.

You may therefore wish, if you agree, to discuss with Mr. Heeney the question of this Department's representation on the Delegation, in the light of Mr. Turnbull's comments. You will also note that the whole question of the appropriate procedure as regards Cabinet approval of the Delegation has still to be cleared, and I should be grateful for your advice as to the steps to be taken in this matter.[7]

J.E. THIBAULT

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[6] Note marginale :/Marginal note:

yes.

[7] Note marginale :/Marginal note:

1. names of delegates should now be conveyed to Belgian ambassador including Smith's.
2. joint submission to Cabinet should be prepared for Postmaster's & our Minister's signature. There is no rush for this. See 10884-10-40.†
3. check with E. & O. [Establishment and Organization Division] what is done re reception. Finance might also be approached.
4. letter to Pope to keep him posted. J. L[éger]

371. DEA/9258-40

Note du sous-secrétaire d'État adjoint aux Affaires extérieures pour la Section des conférences internationales

Memorandum from Assistant Under-Secretary of State for External Affairs to International Conferences Section

Ottawa, February 2, 1952

I called Mr. Turnbull about the attached letter, dated January 26, on the forthcoming Congress of the Universal Postal Union.[†]

It has now been agreed that Mr. Smith would be attached to the Canadian Delegation. Mr. Turnbull reiterated his objection to the title of "Adviser", pointing out that this was not in use at Postal Union Conferences, and that the term for other than delegates was "Fonctionnaire attaché". I should be grateful if you could look into this. If Mr. Turnbull is right, we should agree with him. I told him we would consider the matter further.

J. L[ÉGER]

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372. DEA/9258-40

Extrait de la note de la Section des conférences internationales pour le sous-secrétaire d'État adjoint aux Affaires extérieures

Extract from Memorandum from International Conferences Section to Assistant Under-Secretary of State for External Affairs

CONFIDENTIAL Ottawa, February 5, 1952

DELEGATION TO THE XIIITH UNIVERSAL POSTAL CONGRESS DESIGNATION OF MR. A.C. SMITH.

You requested in your memorandum of February 2 that I look into the validity of Mr. Turnbull's objections to the title of adviser for Mr. Smith.

. . .

It has now been agreed that Mr. Smith should be attached to the Canadian Delegation. I would therefore suggest, if you agree, that we adopt with regard to Mr. Smith a procedure similar to that followed in the case of Mr. Jolliffe in 1946.[8] We would thus leave Mr. Smith's name out of that part of the Submission to Council requesting the Council's authority for certain named delegates to sign the Congress' documents. In the first place, Mr. Smith's presence on the Delegation was suggested merely in order for him to advise the members on any political issue which might crop up during the Congress. It never was our intention that he should sign any documents arising from the deliberations, all of which are likely to be highly technical in character.

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[8] Note marginale :/Marginal note:
good idea & agreeable to Mr. T[urnbull]. J. L[éger]

Mr. Smith's name would however appear in our Note to the Belgian Ambassador, informing him of the composition of the Delegation once the Governor General in Council has issued the necessary Order. The style of communication could follow that used by the Department in 1946, in transmitting to the French Ambassador the names of the Canadian delegates to the XIIth Universal Postal Congress. We would then avoid the use of the expression "fonctionnaire attaché" which, I suggest, places Mr. Smith, a First Secretary of Embassy, on the same level as Miss Bingleman, a stenographer and private secretary to a Deputy Minister.[9]

A Draft Submission to Council, revised in the light of the above proposal, is enclosed for your consideration. If it meets with your approval, I shall be pleased to draft the letter of transmittal to Mr. Turnbull.†

I might add that I have had occasion recently to discuss informally with one of the proposed members of the Delegation this thorny question of External Affairs representation on the Canadian Delegation to the forthcoming Congress. It has been suggested by this person, and I pass it on to you for what it is worth, that a verbal approach to Mr. Turnbull by you or by Mr. Heeney would, at this point, achieve more than the most voluminous exchange of correspondence.[10] Mr. Turnbull's greatest fear is that we are trying to interfere with what he considers to be his prerogative: the choice of the Canadian Delegation to a technical meeting which postal officials only should attend. This is surely not the case. What we are solely interested in, is having on the spot a senior man of this Department to advise Mr. Turnbull on any matter of political nature which may arise in the Congress' discussions. While we should not tell him so, a glance through the files will show that there is a great need for the presence of such a person on Delegations to international meetings of which Mr. Turnbull may be the Head.

J.E. THIBAULT

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373. DEA/9258-40

Note du sous-secrétaire d'État aux Affaires extérieures
pour le secrétaire d'État aux Affaires extérieures

Memorandum from Under-Secretary of State for External Affairs
to Secretary of State for External Affairs

Ottawa, March 1, 1952

The 13th Congress of the Universal Postal Union is called to meet in Brussels on May 14, 1952. Canada, a member since 1878 of the Universal Postal Union, now one of the specialized agencies of the United Nations, has been invited to participate.

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[9] Note marginale :/Marginal note:
Miss B[ingleman] will not have that designation. J. L[éger]

[10] Note marginale :/Marginal note:
done. J. L[éger]

It is agreed, after consultation with the Post Office Department, that the Canadian Delegation to the Congress should be as follows:

Head of Delegation:	Mr. Walter J. Turnbull, Deputy Postmaster General, Post Office Department
Delegates:	Mr. J.L.A. Gagnon, Director of Administration, Post Office Department
	Mr. H.N. Pearl, Superintendent, International Mails, Post Office Department
	Mr. A.C. Smith, Canadian Embassy, Brussels
Secretary to the Delegation:	Miss C.E. Bingleman Post Office Department

The Universal Postal Union, when in Congress, reviews the Universal Postal Convention and its subsidiary agreements on the basis of proposals submitted in advance by members. It is, therefore, necessary to obtain from Council the authority to issue certain named members of the Canadian Delegation with Full Powers to sign all the texts arising out of the deliberations of the Congress. A Submission to Council has, accordingly therefore, been prepared[11] recommending that Messrs Turnbull, Gagnon and Pearl be authorized to attend and take part in the debates of the Congress, to vote on all necessary matters and to sign any agreements arising therefrom.

In accordance, also, with the Congress rules of procedure, delegates whose names do not appear in the Full Powers rank only as experts or observers. Mr. Smith will thus merely advise the other members of the Delegation on the political issues which may arise during the debates of the Congress.

If you concur with the attached Submission,[†] will you please sign it. I shall then address it to the Clerk of the Privy Council for all necessary action.[12]

A.D.P. H[EENEY]

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[11] Note marginale (signature illisible) :
Marginal note (in which signature is illegible):
and cleared with the Post Office Dep[artment].

[12] Note marginale :/Marginal note:
Sent to P[rivy] C[ouncil] 3.3.52.

374. DEA/9258-40

Note de l'adjoint exécutif du secrétaire d'État aux Affaires extérieures pour le secrétaire d'État aux Affaires extérieures

Memorandum from Executive Assistant to Secretary of State for External Affairs to Secretary of State for External Affairs

[Ottawa,] March 12, 1952

13TH CONGRESS OF THE UNIVERSAL POSTAL UNION

You signed the original of the attached copy of a Submission to Council† on the Canadian delegation to the Congress of the Universal Postal Union on March 3 and this matter was on the Cabinet agenda for yesterday morning's meeting.†

I understand that the new Postmaster General raised in Cabinet the "difficulty" of Mr. Arnold Smith of the Embassy in Brussels being a delegate to this Congress. The Prime Minister asked Mr. Coté to discuss the matter with you and then bring the subject back to Cabinet. Cabinet is meeting at two o'clock today, so Mr. Coté may approach you before then.

The Department has had considerable correspondence and some discussion with Mr. Walter Turnbull about Mr. Smith's status and role on this delegation. It was thought that the matter had been settled in the manner explained in the Under-Secretary's memorandum to you of March 1, of which copy is attached, forwarding the draft Submission to Council. It would seem, however, that Mr. Turnbull has re-opened the matter again with his own Minister. Perhaps you can satisfy Mr. Coté that it is desirable to have Mr. Smith treated as a delegate so that he may advise on any political issues that may arise during the Congress. Mr. Smith would in no sense act as an authority on postal matters and he would not have power to vote and sign documents and it is for this reason that his name does not appear in the formal Submission to Council.[13]

A.J. PICK

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[13] Note marginale :/Marginal note:

Mr. Léger. The P.M.G. [Post Master General] spoke to our Minister. Mr. Pearson thinks that we sh[oul]d now stay out of this altogether & say to the P.O. [Post Office] that we understand this to be a "technical" conference where no "political" matters will be dealt with & in which the Cdn. [Canadian] delegation will express no views on "political" questions; if such matters arise the deleg[ation] sh[oul]d refer to our Embassy for guidance. Pls. [please] inform Moran. A.D.P. H[eeney] Mar. 15

375. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa,] March 18, 1952

. . .

UNIVERSAL POSTAL UNION; 13TH CONGRESS, BRUSSELS; CANADIAN PARTICIPATION

10. *The Secretary of State for External Affairs*, referring to discussion at the meeting of March 11th, 1952, recommended that the Canadian delegation to the 13th Congress of the Universal Postal Union, to be held in Brussels in May, 1952, include the Deputy Postmaster General and two other officials of the Post Office Department, and that these three officials be authorized, *inter alia*, to sign any agreements arising out of the Congress.

He had proposed that the delegation also include Mr. A.C. Smith of the Embassy in Brussels, who would provide advice regarding international political questions. It had been suggested that this would be unnecessary owing to the technical nature of the discussions but that, if Mr. Smith were to attend, he be designated "fonctionnaire attaché". This designation would not be satisfactory and he was prepared to withdraw his proposal if it were understood that the Embassy in Brussels would be consulted on any political questions arising during the meetings.

11. *The Prime Minister* pointed out that the Department of External Affairs had the responsibility of handling international relations and considered that the principle should be retained that delegations to international conferences normally include one or more officers of that department. If a conference were being held in a capital where there was a Canadian diplomatic mission, the mission in question should normally be represented on the delegation. In the present case, Mr. Smith should be a member of the delegation and should keep in touch with the head of the delegation with a view to attending meetings whenever the delegation was likely to require advice on international political questions.

12. *The Cabinet*, after further discussion, approved the recommendations of the Secretary of State for External Affairs and:

(1) agreed that:

(a) the following attend and take part in the debates of the 13th Congress of the Universal Postal Union, meeting in Brussels in May, 1952, vote on all necessary matters and sign any agreements arising from the deliberations of the congress:

Mr. Walter J. Turnbull	Deputy Postmaster General
Mr. J.L.A. Gagnon	Director of Administration, Post Office Department
Mr. H.W. Pearl	Superintendent, International Mails, Post Office Department

an Order-in-Council to be passed accordingly;

(b) Mr. A.C. Smith of the Embassy in Brussels be a member of the delegation with a view to providing advice on international political questions arising during the meetings;

(c) Miss C.E. Bingleman of the Post Office Department act as secretary of the delegation;

(2) noted the comments of the Prime Minister regarding the desirability of adherence to the general practice of External Affairs participation in delegations to international conferences.

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376. DEA/9258-40

L'ambassadeur en Belgique
au secrétaire d'État aux Affaires extérieures

Ambassador in Belgium to Secretary of State for External Affairs

TELEGRAM 107 Brussels, June 18, 1952

CONFIDENTIAL. IMPORTANT.

McGregor, Trans Canada Air Lines, invited Smith and myself to lunch today during course of which he said he had been greatly perturbed by action of the chief of our delegation at Universal Postal Union Congress in proposing that air post transit rates be reduced to two, repeat two, gold francs per ton-kilometer.

2. He told us that last night he had telephoned Mr. Howe in this connection. Latter had said he would take the matter up with you.

3. As you are of course aware, Smith has been dealing exclusively with international political questions on the conference agenda and as a measure of expediency which you will understand (your despatch No. IC 198, April 29th refers)* he has not, repeat not, attended meetings of Technical Committees.

4. For my part I observed to McGregor that if a question of government policy was involved presumably the action he had taken was all that would be necessary to insure a somewhat prompt decision.

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377. DEA/9258-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur en Belgique

Secretary of State for External Affairs to Ambassador in Belgium

TELEGRAM 77 Ottawa, June 18, 1952

PERSONAL AND CONFIDENTIAL. IMPORTANT.

Following for the Ambassador *only* from the Minister. Begins: Word has been received here that Turnbull, head of our delegation to the Congress of the

Universal Postal Union, has been making himself unpopular at the conference and supporting positions, particularly in regard to air mail postage, that are not only disavantageous to Canada, but which align our delegation with a small and unfriendly minority. Is there anything in these reports? Would appreciate personal and confidential reply as soon as possible by air mail, or if your information warrants it, by cable.

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378. DEA/9258-40

L'ambassadeur en Belgique
au secrétaire d'État aux Affaires extérieures

Ambassador in Belgium to Secretary of State for External Affairs

TELEGRAM 108 Brussels, June 19, 1952

CONFIDENTIAL. IMPORTANT.

Reference: Your telegram No. 77 of June 18th (only received late this afternoon).

Following for the Minister from Ambassador, Begins: My information is that our Chief of Delegation has shown a happy knack of bringing a breath of fresh air into the Conference by means of his cogent and forceful intervention in debate but has been less tactful in his use of undiplomatic language and by occasionally and unnecessarily impugning motives of other delegations. As a matter of fact he has been as severe in his criticism of Soviet bloc delegates as he has been of any others when he has disagreed with them.

2. However this may be, it appears to me that *real issue* is his strong stand on question of air post transit rates which (as reported in my yesterday's telegram No. 107)† he has advocated reducing from 6, repeat 6, gold francs per ton kilometer to 2, repeat 2. His argument runs that this proposed rate is in line with existing passenger rates and in effect would merely delete subsidy element. Of course, so far as conference itself has been concerned, this is a technical matter and has perforce been so regarded by this post, even though from broader point of view the expendiency of his course has obviously appeared doubtful.

3. Yesterday afternoon this Canadian proposal was defeated in Committee of the Whole by over 50, repeat 50, against (including Soviet bloc) to 8, repeat 8, in favour. Subsequently, a Polish proposal to reduce rate to 3, repeat 3, gold francs was carried in secret vote by about 45, repeat 45 to 33, repeat 33, against strong opposition by the United States which supports status quo. I understand Canadian delegation voted against, repeat against, Polish proposal.

4. International Air Transport Association, the executive of which is now meeting in Brussels, are bringing every available gun throughout the world to bear with object of causing committee decision to be reversed; and new United States Ambassador when making his first call on me today immediately broached that question and said the United States Government were also moving to obtain a new verdict. Ends.

379. DEA/9258-40

Le sous-secrétaire d'État aux Affaires extérieures
à la légation en Suisse

Under-Secretary of State for External Affairs to Legation in Switzerland

LETTER No. V-195 Ottawa, September 2, 1952

CONFIDENTIAL

UNIVERSAL POSTAL UNION

Prior to the opening of the Congress of the Universal Postal Union in Brussels, in May last, we discussed with the Post Office Department the advisability of having External Affairs representation on the Canadian Delegation. The Post Office took the view that UPU dealt with technical matters with which we need not, and indeed should not, be concerned; whereas we held that External Affairs must, because of its overall responsibility for international conference work and United Nations affairs, be represented to give advice on political issues and ensure adherence to established policies in the international field. Mr. Arnold Smith of our Embassy in Brussels was eventually appointed as a member of the Canadian Delegation to the Brussels Congress.

2. The rightness of this decision was borne out by the number of political issues on which Mr. Smith was able to advise the delegation, such as the extension of UPU privileges to the territory of Somaliland under Italian trusteeship; representation of China and Viet Nam; membership in UPU of the Baltic states, Korea and Germany; postal activities of the United Nations, and other matters. Not only was the advice of an External Affairs officer useful on these and other points, but the reports prepared by Mr. Smith provided our only source of information, apart from the press, concerning the Congress and its activities.

3. This is unsatisfactory and we are concerned about knowing enough of what goes on in UPU circles so that we shall be prepared for issues of interest to us which are likely to arise and so that we may keep an eye on UPU activities with a view to coordination within the United Nations and within our delegations to various international meetings. You may be able to help provide information which will be useful for these purposes.

4. The International Bureau, or headquarters, of the UPU being situated in Berne, it would be appreciated if a member of your staff could get to know one or two of the members of the Secretariat with a view to reporting from time to time on matters of possible interest to the Department. Your Legation could, perhaps, learn in this way if any important discussions take place at meetings of the Executive and Liaison Committee (of which Canada is not a member) which meets periodically between Congresses. Dr. Hess, a Swiss national, is Director General of the UPU, and Dr. Radice, of the United Kingdom, is Deputy Director General. Either of these officials, or perhaps one of their senior assistants, might welcome the opportunity of discussing UPU problems.

5. I should perhaps underline that conversations of this nature with the Secretariat should be on an *informal* basis. It may be said that such liaison and reporting would be a normal function of your Legation, but as we have up until now relied on the Post Office for UPU information, we should not want that Department to get the impression that we are developing a new reporting procedure in order to eliminate cooperative action. That would be far from our purpose, and the less formal our activities are at this stage, the less chance there will be of creating inter-departmental misunderstanding. I might add, too, that this need not be a time consuming burden on your staff for it should normally be sufficient to have a talk with some member of the Secretariat only every three or four months, or at whatever intervals you deem appropriate.

6. The next Congress of the UPU is to meet in Ottawa in 1957. Canada will have certain responsibilities as host country, but perhaps more important is the fact that prior to the Congress we should have some idea of issues likely to be discussed, in order that our Delegation may be appropriately briefed. If we keep in touch with UPU developments during the interval between Congresses, our task should be much easier in 1957 than it was prior to and during this year's Congress.

7. Your assistance or comments on our suggestions will be greatly appreciated.

L.D. WILGRESS

SECTION D

ORGANISATION MONDIALE DE LA SANTÉ
CINQUIÈME ASSEMBLÉE, 5-22 MAI 1952
WORLD HEALTH ORGANIZATION
FIFTH ASSEMBLY, MAY 5-22, 1952

380. DEA/5475-K-10-40

Note du sous-secrétaire d'État suppléant aux Affaires extérieures pour le secrétaire d'État aux Affaires extérieures

Memorandum from Deputy Under-Secretary of State for External Affairs to Secretary of State for External Affairs

CONFIDENTIAL Ottawa, April 21, 1952

FIFTH WORLD HEALTH ASSEMBLY

The Minister of National Health and Welfare thinks that Canada should be prepared to accept membership on the Executive Board of WHO if nominated, but that we should not actively seek the nomination. If Canada is elected, Dr. Leroux of National Health will be available to represent Canada at the sessions of the Executive Board. In any event, Dr. Leroux will be available to attend each of the WHO Assemblies and will be responsible in the Department of

National Health for all WHO matters. Dr. Cameron[14] has asked us to notify the U.K. and the U.S. of our position as the elections to the Executive Board will take place at the Fifth World Health Assembly which opens in Geneva on May 5. It would be of assistance to us at the same time to try to find out from the U.K. and U.S. what other candidates there might be for election to the Executive Board. Our Delegation in New York has been notified of Iran's candidature to succeed Turkey.

2. Preliminary discussions have already been held between officials of this Department and of the Departments of National Health and Finance to draft instructions for the Canadian Delegation to the Fifth World Health Assembly. It was agreed to recommend that this year's instruction on the question of "inactive members" should be the same as last year's. Last year you approved an instruction to the Canadian Delegation suggesting that it support any motion which would recognize the withdrawal of the ten "inactive members" of WHO (Albania, Bulgaria, Byelo-Russia, Czechoslovakia, Hungary, Poland, Roumania, the Ukraine, the U.S.S.R. and Nationalist China). The Canadian Delegation was further instructed that if this course proved unacceptable to the Assembly, it might urge that "inactive members" be not assessed for 1952 and support any other measure likely to improve WHO's financial position (see para. 5 of our memorandum to you dated April 27, 1951, attached). The Fourth World Health Assembly failed to take any action to change the present situation whereby the "inactive members" are assessed, do not pay their contributions, and the "working budget" is a great deal smaller than the "paper budget".

3. Attached for your approval, if you agree, are telegrams to London and Washington informing them of our position on the question of Canada becoming a member of the Executive Board, asking for information on other candidates, and seeking the views of the U.K. and U.S. on the question of the "inactive members", at the same time reiterating the Canadian position on this subject.'

E. R[EID]

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381. DEA Library

Communiqué de presse du ministère des Affaires extérieures

Press Release by Department of External Affairs

No. 24 [Ottawa,] n.d.

FOR RELEASE IN MORNING PAPERS OF WEDNESDAY APRIL 23, 1952

The Department of External Affairs announced today that Dr. O.J. Leroux, Assistant Director, Indian Health Services, Department of National Health and Welfare, will head the Canadian Delegation to the Fifth World Health Assembly, which opens in Geneva on Monday, May 5.

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[14] G.D.W. Cameron, sous-ministre de la Santé nationale et du Bien-être social.
Dr. G.D.W. Cameron, Deputy Minister, National Health and Welfare.

The Assembly, the policy-making body of WHO, will review the past activities of the organization and will consider its 1953 budget and programme.

Dr. W.H. McMillan, Member of Parliament for Welland, and Dr. J.T. Phair, Deputy Minister of Health, Province of Ontario, will be Alternate Canadian Delegates. In addition, Dr. T.C. Routley, General Secretary, Canadian Medical Association, will be Special Adviser to the Canadian Delegation, and Mr. Bruce Williams, Canadian Permanent Delegation to the United Nations, Geneva, will serve as Adviser and Secretary.

382. DEA/5475-K-15-40

Extrait du commentaire destiné à servir de guide aux membres de la délégation à la cinquième Assemblée mondiale de la santé

Extract from Commentary for Guidance of Members of Delegation to Fifth World Health Assembly

CONFIDENTIAL Ottawa, April 30, 1952

. . .

Item 7.11

ASSIGNMENTS TO GEOGRAPHICAL AREAS: MOROCCO; TUNISIA; FRENCH DEPARTMENTES OF ALGERIA; GREENLAND; SOMALIA

At the Fourth World Health Assembly there was a long and acrimonious debate between the French and Egyptian delegates, both in sub-committee and committee, on the issue of whether Tunisia, Morocco and possibly Algeria should be assigned to the European Regional Office or to the African Regional Office. To help bring about agreement the Canadian delegation finally offered a compromise proposal which the Director-General considered to be useful and constitutionally sound but which was never voted upon. Instead the Executive Board was asked to submit a report to this year's Assembly. Since Algeria is part of metropolitan France, while the French Government controls the foreign relations of Morocco and Tunisia, it seemed logical to the Canadian delegation that the World Health Assembly should recognize the right of France to determine the regional organization to which these countries should be assigned for the present, until such time as any of them became Members of the Organization, at which time they would presumably have the right to decide for themselves the regional group to which they wished to belong. Some held the view that on acquiring associate membership the same right might be exercised. A careful study of the constitution does not bear out this latter supposition. Article 44 (b) states that "The Health Assembly may, with the consent of a majority of the *Members* situated within each areas so defined, establish a regional organization...." There is no mention in the constitution of the right of Associate Members to participate in the definition of territory to be governed by a regional organization. The very fact that Associate Members are territories not responsible for the conduct of their international relations makes it illogical that they should choose to belong to a regional organization other than the one chosen for them by the metropolitan power.

Associate Members cannot attain full membership until they become independent states. On achieving independence there will be nothing to prevent the states concerned from asking the World Health Assembly to transfer them to the regional organization of their own choosing.

The Canadian delegation was informed in strict confidence during the Sixth Session of the United Nations General Assembly that the WHO Secretariat obtained a year's postponement of the vote on this issue because France had failed to make any practical arrangements for the consideration of North African health problems by the European Regional Office. Members of the Secretariat had pointed out to the French delegation that it was illogical to suggest the allocation of Morocco, Algeria and Tunisia to the European Regional Office until a practical programme had been drafted in some detail to justify the allocation. Until the World Health Assembly could be satisfied that the European Regional Office was prepared to discharge effectively the new responsibilities suggested for it, the Secretariat thought that the North African region should be serviced direct from WHO headquarters in Geneva.

As we understand it the Fifth World Health Assembly may have three alternatives to consider: (a) allocation of Tunisia, Morocco and Algeria to the European Regional Office as desired by France and recommended by the Executive Board, (b) their allocation to the Eastern Mediterranean Office as now desired by Egypt, or (c) retention of responsibility for North Africa as a whole by WHO Headquarters at Geneva.

Since we do not yet know what detailed plans have been made by France for handling health problems of Tunisia and Morocco through the European Regional Office, the Canadian delegation to the Fifth World Health Assembly might keep in mind the need for something more than a general declaration that the European Regional Organization is able to assume the new responsibility. The report of the European Regional Office for 1951 (*Official Records* No. 38) lists a number of "inter-country programmes" which represent efforts to meet health problems on a European level. In some cases these may be applicable to North African conditions. Is the European Regional Office so organized, however, that it can adapt the inter-country programmes to the special conditions prevailing in North Africa? How many problems peculiar to North Africa will the European Regional Office be able to plan under its 1952 to 1953 budget? Could the same programmes be provided more effectively and more economically through the Geneva Headquarters Office? These represent only a few of the questions on which the Canadian delegation may wish to obtain further information before deciding how to vote on the question of whether it would be preferable to allocate Morocco, Tunisia and Algeria to the European Regional Office or to continue to service the region directly from the Geneva Headquarters of WHO.

If it is apparent that the European Regional Office is as well fitted to handle the problems of the area as the Geneva Headquarters Office, the Canadian delegation should vote in favour of the French proposal, since Canada recognizes the right of France to determine the foreign relations of the Tunisian and Moroccan Protectorates and, of course, of Algeria.

As regards Greenland and Somalia, the Canadian delegation should vote in favour of the recommendation of the Executive Board that these two countries should be assigned to the European and Eastern Mediterranean Regions, respectively.

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383. DEA/5475-K-15-40

Le secrétaire d'État aux Affaires extérieures
à la délégation permanente auprès de l'Office européen des Nations unies

Secretary of State for External Affairs
to Permanent Delegation to the European Office of the United Nations

TELEGRAM 44 Ottawa, May 2, 1952

CONFIDENTIAL

FIFTH WORLD HEALTH ASSEMBLY WHO — 1953 BUDGET

Reference: Your No. 40 of April 29.†

1. The Canadian Delegation is being instructed to support proposals for achieving stabilization of 1953 budget at 1952 level and will have some specific recommendations for reductions. The Australians have indicated to us here their strong desire for stabilization. The United States has asked us to support them in a move to stabilize the budget at the 1952 level.

2. Dr. Leroux, Head of the Canadian Delegation, will have with him six copies of the Commentary for the Canadian Delegation. Your assistance will be particularly helpful to him on the Elections to the Executive Board (Item 15). It has been decided that Canada will accept membership on the Executive Board if nominated, but that the Canadian Delegation will not actively seek nomination. The United States and the United Kingdom have been informed.

3. The Commentary on Assignments to Geographical Areas (Item 7.11) was prepared by this Department. Your attention is drawn to this because of its political implications.

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384. DEA/5475-K-15-40

Le chef de la délégation à la cinquième Assemblée mondiale de la santé
au secrétaire d'État aux Affaires extérieures

Head of Delegation to Fifth World Health Assembly,
to Secretary of State for External Affairs

DESPATCH No. 179 Geneva, May 6, 1952

FIFTH WORLD HEALTH ASSEMBLY

The first plenary meeting of the Fifth World Health Assembly was held yesterday, with the retiring President, Dr. Leonard A. Scheele of the United States presiding. Messages of welcome to the delegates to this Assembly were presented by Mr. Gunnar Myrdal on behalf of the Secretary-General of the United Nations, Mr. Torres Bodet, Director-General of UNESCO, Mr. Swoboda, Secretary-General of the World Metereological Organization, and Sir Herbert Bradley, Deputy Director of F.A.O.

2. At the conclusion of the introductory statements, the Assembly proceeded to establish the Committee on Credentials and the Committee on Nominations. Canada was named to the former committee and I attended a meeting of the committee which was held at the conclusion of the first plenary session.

3. On the proposal of the Acting President, the Assembly provisionally adopted the amendments proposed by the Executive Board at its ninth session relating to co-ordination with other Specialized Agencies on new activities, to supplementary items for the Assembly Agenda, to associate membership of W.H.O., to participation of observers from Non-Member States and Territories, and to voting procedures.

4. At the second plenary meeting held at 3 o'clock, the reports of the Committee on Credentials and the Committee on Nominations were approved unanimously. The Credentials Committee reported as follows:

"The credentials presented by the delegations listed below were found to be in order, thus entitling these delegations to take part in the work of the Health Assembly, as defined by the Constitution of the World Health Organization. The committee therefore proposes that the Health Assembly should recognize the validity of the credentials presented by the following delegations: Afghanistan, Australia, Austria, Belgium, Brazil, Cambodia, Canada, Ceylon, Costa-Rica, Denmark, Dominican Republic, Ecuador, Egypt, Ethiopia, Finland, France, Greece, Guatemala, Haiti, Hashemite Kingdom of the Jordan, Iceland, India, Indonesia, Iran, Ireland, Israel, Italy, Japan, Korea, Laos, Lebanon, Liberia, Luxembourg, Mexico, Monaco, Netherlands, New Zealand, Nicaragua, Norway, Pakistan, Panama, Philippines, Portugal, El Salvador, Sweden, Switzerland, Syria, Thailand, Turkey, United States of America, Union of South Africa, United Kingdom, Vietnam, Yugoslavia, Southern Rhodesia (Associate Member).

Notifications from Burma, Chile, Federal Republic of Germany, Peru, Saudi Arabia and Venezuela, giving the composition of their delegations state that credentials are being forwarded, and the committee therefore recommends to the Health Assembly that these delegations be recognized with full rights in the Health Assembly pending the arrival of their credentials."

5. The Nominations Committee made the following proposals with respect to the election of officers and members of the General Committee:

President of the Fifth World Health Assembly:	Dr. Juan Salcedo, Jr. (Philippines)
Vice-Presidents:	Dr. P. Vollenweider, (Switzerland) Dr. A. Bellerive, (Haiti) Dr. J.N. Togba, (Liberia)

Chairman of the Committee on Programme and Budget:	Dr. N. Romero, (Chile)
Chairman of the Committee on Administration, Finance and Legal Matters:	Dr. A.L. Mundaliar, (India)
Members of the General Committee:	Dr. van de Calseyde, (Belgium)
	Dr. W.G. Wickeremansinghe (Ceylon)
	Dr. D. Boidé (France)
	Dr. G.A. Canaperia (Italy)
	Dr. H.B. Turbott (New Zealand)
	Dr. Karl Evang (Norway)
	Dr. M. Jafar (Pakistan)
	Dr. Melveille Mackenzie (United Kingdom)
	Dr. L.A. Scheele (United States of America)

6. You will note that the two main committees are the Committee on Programme and Budget and the Committee on Administration, Finance and Legal Matters. Prior to the consideration of the report of the Nominations Committee, the Assembly approved a resolution submitted by the Executive Board (Document E.B. 9/R/29) recommending that a Committee on Programme and Budget be established to replace the former Committee on Programme. This resolution was approved with one amendment which was submitted by the United Kingdom. The United Kingdom amendment was a compromise proposal since the Norwegian Delegation had earlier proposed that the resolution be so worded as to avoid fixing the budget before deciding on the programme. The United Kingdom Delegation suggested that the budget ceiling for 1953 be set after examination of the main features of the programme. The text of the resolution as approved by the Assembly is as follows:

"The Fifth World Health Assembly

1. ESTABLISHES a Committee on Programme and Budget, to

(a) review the Annual Report of the Director-General;

(b) study and make recommendations on the general programme of work for 1953-1956;

(c) recommend the budgetary ceiling for 1953 after examination of the main features of the programme;

(d) review and recommend the programme and budget for 1953 including the amounts to be devoted to each section of the total budget, and

(e) study such other items as are referred to it by the Assembly."

7. The Provisional Agenda for the Assembly (Document A 5/1) was approved. The Secretariat reported that Item 6.6.2 "Sovereign and Military Order of Malta" was being deleted, at the request of the Order.

8. All members of the delegation are working conscientiously to prepare themselves for the Committee work which is about to begin. We have also been busily engaged in meeting as many of our fellow delegates as possible.

9. I shall of course continue to report from time to time on the work of the Assembly.

O. LEROUX

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385. DEA/5475-K-15-40

La délégation permanente auprès de l'Office européen des Nations unies au secrétaire d'État aux Affaires extérieures

Permanent Delegation to European Office of the United Nations to Secretary of State for External Affairs

DESPATCH No. 196 Geneva, May 17, 1952

FIFTH WORLD HEALTH ASSEMBLY

Reference: Our despatch No. 179 of May 6, 1952.

The Fifth World Health Assembly has now been in session for almost two weeks and it would, I think, be appropriate for me to review briefly some of the decisions which have been taken in this period. As I explained in my despatch under reference, the Assembly established two main Committees, namely the Committee on Programme and Budget and the Committee on Administration, Finance and Legal Matters.

2. Within the Delegation the division of responsibility for the work of these Committees has been as follows:

Committee on Programme and Budget:	Dr. J.T. Phair and myself
Committee on Administration, Finance and Legal Matters	Dr. W.H. McMillan, M.P. Dr. T.C. Routley, B.M. Williams

I might perhaps add that the foregoing assignments to Committees have not been hard and fast since all members of the Delegation have generally tried to be "au fait" of developments in both Committees.

3. The work of the Committee on Programme and Budget has to some extent lagged behind that of the other main Committee. This is understandable, however, since the Programme and Budget Committee has had to review in

considerable detail the programme and budget for 1953. The Committee has nonetheless been able to submit resolutions to the Assembly on such questions as "Recommendations to Member Governments on Vital and Health Statistics"; "Publications Programme"; "Recording and Transmission of Epidemiological Information"; "Leprosy"; "The World Position on Supply Requirements of Insecticides"; and "Production of Antibiotics and Insecticides".

4. As the final report of the Delegation to the Fifth World Health Assembly will deal in detail with the work of the Committee, I propose only at this time to comment on the debate concerning the budget level for 1953.

5. It was apparent very early in the discussions on the budget level for 1953 that there were only three Member States who were actively concerned with maintaining the budget at the 1952 level. These were: the United Kingdom, the United States and ourselves. During the discussion of this item we expressed our alarm at the proposed 1953 budget and said that, in our opinion, the overall expenditures of the Organization should be at about the level for 1952. Our statement was made very early in the debate and it was only later in the afternoon that the United Kingdom and the United States Delegations declared their positions. The United Kingdom representative explained that he was not able to vote for any budget which exceeded the effective working budget for 1952. The delegate of the United States said that, in the opinion of his Government, the best interests of the Organization, and of its members, would be served by adopting a budget calling for a total of assessments of $8,600,000.00 or the same as in 1952. He added that his Government would support a gross 1953 budget at the same level as that for 1952, namely $9,100,000.00. He explained that this would be accomplished by adding $500,000.00 of the casual income available to the assessment of $8,600,000.00.

6. The voting on the budget ceiling for 1953 clearly indicated that those Member States who were interested in maintaining the 1953 budget at about the same level as that for 1952, were in the minority. The vote was taken in three stages, as follows:

a) *Vote on assessments against all members.* On this item, the Committee had two proposals before it: 1) the Secretariat recommendation for an amount of $8,980,200.00; 2) the United States-United Kingdom recommendation of $8,600,000.00. The Committee approved by a vote of 33 in favour, 18 against, with 3 abstentions, the Secretariat proposal. Canada, of course, voted in favour of the United States-United Kingdom recommendations;

b) *Amount of casual income available for 1953.* Under this item, the Secretariat proposed the use of $852,554.00. The United States recommended $500,000.00, while the United Kingdom proposed $369,071.00. The Committee voted first on the United Kingdom recommendation which was defeated. In the immediately following vote the United States proposal was turned down. In the final vote, the Secretariat proposal was adopted. The

Canadian Delegation, in these series of votes, supported both the United Kingdom and the United States proposals, but voted against the Secretariat recommendation;

c) *Vote on the budget level of 1953.* The Committee supported the recommendation of the Director-General for a budget level for 1953 of $9,832,754.00. Canada, along with the United States and the United Kingdom, voted against this proposal. I should perhaps explain that the discrepancy between the budget ceiling approved by the Committee in the amount of $9,832,754.00 and that recommended by the Director-General in the amount of $9,832,754.00 [*sic*] resulted from 1) a recommendation of the Committee on Administration, Finance and Legal Matters not to continue the publication of the "Chronicle" in Russian ($4,800.00 reduction in budget) and 2) a recommendation of the same Committee to use an additional $15,000.00 available in the Assembly Suspense Account to finance the 1953 appropriations.

7. It is our intention, when the Appropriations resolution is placed before the Assembly in plenary session, to indicate once more our opposition to a budget ceiling in excess of that for 1952. It is my understanding that the United Kingdom and the United States Delegations are planning to do likewise.

8. The Committee on Administration, Finance and Legal Matters has, I think, made considerable progress. It has, among other items, approved the supplementary budget for 1952; noted the amendments to the staff rules and the revised financial rules; dealt with the question of contributions and advances to the Working Capital Fund; agreed to suspend the Russian edition of the "Chronicle"; authorized the Director-General to draw on the Publications Revolving Fund in order to publicize WHO publications; authorized the Director-General to provide accident insurance for members of the Executive Board travelling on business for the Board; and has established a Working Capital Fund for 1953 in the amount of U.S.$3,378,811.00 plus the assessments of members who joined after May 1, 1952.

9. On the question of biannual Assemblies, the Committee approved the following resolution which was subsequently approved by the Assembly in plenary session:

"The Fifth World Health Assembly

Considering that it is not in a position to examine the proposals contained in Executive Board Resolution EB9.R53 and the documents issued subsequent to that resolution;

REQUESTS the Director-General, therefore, to communicate to all Member Governments, for consideration by the Sixth World Health Assembly, these texts and any other amendments which may be submitted by Member States, the Executive Board or the Director-General and which may be received in time to comply with the requirements of Article 73 of the Constitution."

10. The debate in the Committee on the assignment to geographical regions of Morocco and Tunisia was long and at times strained. The Egyptian Delegation submitted a resolution proposing that the whole question of

assignments to geographical areas be reviewed by the Executive Board. This proposal was put to a vote and was approved with 21 in favour, 18 against and 7 abstentions. The Canadian representative voted against the proposal, along with France, the United Kingdom, New Zealand and South Africa. The United States and Australian Delegations abstained. Among our reasons for opposing the resolution was that it would prevent the Assembly from assigning any territory to a geographical region, including Greenland and Somalia, until such time as the Executive Board had completed its study. It is my understanding that the French Delegation may reopen the question when the Committee is considering its report to the Assembly on this matter.

11. As reported in my telegram No. 54 of May 15,† Canada was elected to the Executive Board, along with Brazil, Denmark, New Zealand, Iran and the United Kingdom. The result of the voting was as follows: Canada — 57; Brazil — 53; Denmark — 53; New Zealand — 50; Iran — 41; United Kingdom — 33.

12. I shall, before the end of the session, report on further developments.

O. LEROUX

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386. DEA/5475-K-15-40

La délégation permanente auprès de l'Office européen des Nations unies au sous-secrétaire d'État aux Affaires extérieures

Permanent Delegation to European Office of the United Nations to Under-Secretary of State for External Affairs

LETTER No. 209 Geneva, May 22, 1952

CONFIDENTIAL

FIFTH WORLD HEALTH ASSEMBLY

Reference: Our Despatch No. [1]96 of May 17, 1952.

The Fifth World Health Assembly held its final plenary session this morning. Harmony and satisfaction were the dominant notes of the meeting. The atmosphere was much more pleasant than during the two plenary sessions held yesterday when the question of the assignment of Member States, Associate Members and territories or groups of territories to geographical areas was, among other items, under discussion. As I reported in my despatch under reference the Committee on Administration, Finance and Legal Matters had approved an Egyptian resolution proposing that the whole question of assignments to geographical areas be reviewed by the Executive Board. Among the substantive paragraphs of this resolution was one authorizing the Director-General to take the necessary steps to provide services to territories not yet assigned to regions through the headquarters of the organization under the title "Region undesignated". At yesterday's plenary meeting the French delegation submitted an amendment to this paragraph as follows:

"Member States, Associate Members and territories or groups of territories for which a request for assignment to a region has been presented will be provisionally assigned to the regional organization of their choice pending the results of the study mentioned above."

During the discussion of this item in the Committee, the Canadian delegation voted against the Egyptian proposal. When the report of the Committee on this item was under review we reserved our position since we had learned that the French delegation would likely be submitting the amendment mentioned above. It was our view that if this amendment were approved the delegation should then vote for the resolution as amended. After a heated and acrimonious discussion in the plenary session the French amendment was adopted by a vote of 23 in favour, 16 against and 11 abstentions. In the immediately following vote on the resolution as amended there were 28 in favour, 12 against with 11 abstentions. Canada supported the resolution along with the delegations of France, the United States, the United Kingdom, New Zealand and South Africa. I need not labour the point that the Middle Eastern countries, particularly Lebanon and Egypt, were most vocal in their opposition to the French amendment. These delegations received considerable support from Pakistan.

2. On the question of the participation of governments in costs incurred by the World Health Organization in connection with their Regular and Expanded Technical Assistance Programmes, the Committee on Administration, Finance and Legal Matters approved the resolution drafted by the Working Group under the chairmanship of Dr. W.H. McMillan. You will recall that the text of this resolution was contained in our telegram No. 56 of May 17.† Dr. McMillan, as Chairman of the group, submitted a report to the Committee on its work. Immediately after doing this he made the following statement:

"Mr. Chairman, now that I have officially presented the report of the Working Group of which I had the honour to be Chairman, I should like to express the views of the Canadian delegation on the draft resolution contained in the report. As I said in the Committee last week and reiterated in the Working Group, we oppose any change being made in the present policies. For this reason, Mr. Chairman, I will not be able to support the draft resolution."

I might add that the resolution was subsequently approved by the Assembly in plenary session. We did not formally oppose the resolution at this stage since we felt that we had made our position clear both in the Committee and in the Working Group. It was evident from the discussions which took place in both these places that the majority of the delegations were in favour of some relaxation of present policies.

3. The Committee on Administration, Finance and Legal Matters also approved a resolution admitting Turkey to the European Region while provisionally suspending its activities in the Eastern Mediterranean Region. This proposal was debated at length in the Committee and was quickly becoming a springboard for a full-blown political discussion when the Turkish delegation stated that it was willing provisionally to suspend its activities in the Middle Eastern Region. As you know, the Regional Committee of the Eastern Mediterranean has not met as the countries of that region will not meet

together as a Committee as long as Israel is a member. The Turkish delegation based their request for membership in the European Region on the grounds that they were not able to enjoy the full facilities of the Eastern Mediterranean Region because of the reluctance of the members of the region to hold a meeting.

4. The Committee on Programme and Budget approved an Appropriations Resolution for the year 1953 in the amount of $9,832,754. When this item was under discussion I again stated our opposition to a budget in excess of that for 1952. Similar statements were made by the United Kingdom and the United States delegations. When the resolution was put to the vote in plenary session yesterday, we opposed its adoption.

5. The most contentious item on the agenda of the Programme and Budget Committee related to the question of population. The Committee had before it three draft resolutions submitted by the delegations of Norway; Belgium, Italy and Lebanon jointly; and India. The Norwegian proposal recommended the establishment of an expert committee to study the problem; the joint resolution merely stated that the population problem did not require any particular attention on the part of WHO at the present time, while the Indian resolution requested the Director-General and the Regional Committee to consider the population question in the light of discussions in the Committee and to submit a report at a subsequent meeting of the Assembly. It was obvious during the discussion of this problem that there were many delegations who were not too anxious to stand up and be counted on any of the resolutions. During a procedural wrangle as to which resolution should be put to the vote first, the Chairman suggested that the Committee adjourn for a few minutes to enable members to digest the various resolutions. When the Committee reconvened, the representative of Ceylon said he believed that the proposers of all the motions before the Committee were prepared to withdraw them and he suggested therefore that no vote be taken but that the official records should show that the views of all delegations were noted and no decision was taken. This proposal was seconded by the United States delegation. Following this, the movers of the three resolutions expressed their willingness to withdraw their proposals.

6. At the plenary meeting held yesterday afternoon, a resolution was approved offering Dr. Chisholm an extension of his appointment as Director-General for a period not to exceed three years from July 21, 1953. Under the terms of this proposal Dr. Chisholm was asked to communicate his decision to the President of the Assembly on or before December 31, 1952 indicating whether he will accept the renewal of his contract and if so the length of the period which he is willing to accept to a maximum of three years.

7. I should also like to report that the member of the Executive Board designated by Canada was appointed as a member of the Staff Pension Committee. This Committee is composed of representatives of the executive and the administrative staff of the Organization along with two representatives from the Executive Board. In addition to Canada, Iran was appointed an alternate member. The Organization was anxious to have the Canadian

member of the Executive Board on the Staff Pension Committee firstly to replace the United States member and secondly since one of the two annual meetings of the Committee is held in New York it would be more convenient for the Canadian member to attend than any of the other members of the Executive Board.

8. As you know, the Executive Board will convene on Thursday, May 29. In accordance with the decision to designate me as the person to sit on the Executive Board for Canada, I will now prepare myself for my new duties.

9. Dr. and Mrs. T.C. Routley left Geneva for London yesterday afternoon. Dr. and Mrs. W.H. McMillan departed by train this morning for Heidelburg. Dr. Phair will remain here until the weekend.

10. I should like to report that all members of the Canadian delegation to the Fifth World Health Assembly discharged their responsibilities in a friendly and co-operative fashion. We all suffered at the outset from a lack of knowledge of the procedures of the World Health Organization. I hope, however, that our initial ignorance was not too apparent. The delegation has, I think, made a useful contribution to the work of the WHO.

O. LEROUX

2e PARTIE/PART 2

AUTRES ORGANISATIONS
OTHER ORGANIZATIONS

SECTION A

ACCORD GÉNÉRAL SUR LES TARIFS DOUANIERS ET LE COMMERCE, SEPTIÈME SESSION, 2 OCTOBRE-10 NOVEMBRE 1952

GENERAL AGREEMENT ON TARIFFS AND TRADE SEVENTH SESSION, OCTOBER 2-NOVEMBER 10, 1952

SUBDIVISION I/SUB-SECTION I

INSTRUCTIONS À LA DÉLÉGATION
INSTRUCTIONS TO DELEGATION

387. PCO

Note du secrétaire d'État par intérim aux Affaires extérieures pour le Cabinet

Memorandum from Acting Secretary of State for External Affairs to Cabinet

SECRET Ottawa, September 16, 1952

SEVENTH SESSION OF THE CONTRACTING PARTIES TO THE GENERAL AGREEMENT ON TARIFFS AND TRADE

The Seventh Session of the Contracting Parties to the General Agreement on Tariffs and Trade opens at Geneva on October 2nd. It is recommended that the Canadian delegation should be composed of the following officials:

Chairman:	Dr. C.M. Isbister, Director of International Trade Relations Branch, Department of Trade and Commerce
Delegates:	Mr. D.V. LePan, Department of External Affairs Mr. S.S. Reisman, Department of Finance Mr. A.R. Kilgour, Department of External Affairs, (Secretary to the Delegation)

2. The proposed agenda of the Conference comprises some twenty-five items of which the following are the ones of principal concern to Canada. The proposed agenda is attached to this Memorandum.[†]

(i) *Balance of Payments Import Restrictions*

3. The Session will be called upon to review the restrictions which countries maintain for balance of payments reasons with special reference to their discriminatory impact. If the occasion arises the delegation might express general dissatisfaction with the widespread use of restrictions for balance of payments reasons.

4. With respect to the individual country consultations which take place, it is recommended that the delegation propose that these discriminatory restrictions be examined in accordance with the following criteria; that a real and concrete balance of payments problem exists, that the restrictions applied are not excessive in relation to the magnitude of the problem, and that they are, in fact, intended merely as temporary measures pending the initiative of adequate corrective action. This is the attitude which the Canadian executive director has generally adopted in the similar discussions in the International Monetary Fund.

5. Among the restrictions which will come before the Session will be recent intensifications by Ceylon and South Africa. However, the necessary material will not be available from the International Monetary Fund. Moreover, an examination of the restrictions maintained by these two countries would almost certainly lead to an examination of the wider Sterling Area arrangements. These will be under active examination at the Commonwealth Economic Conference and it would probably be inopportune to broach these issues in the GATT forum in advance of the Commonwealth discussions. In these circumstances it may be desirable that consultations in respect to these two countries be postponed until the next session. It is recommended that the Canadian delegation pursue this aim.

(ii) *Schuman Plan: (European Coal and Steel Pool)*

6. At the last session a working party was established to consider the terms of a possible waiver of the rule of non-discrimination with respect to trade in coal and steel by Schuman Plan countries. While in principle we oppose restrictive regional arrangements, it is recommended that our delegation might support such a waiver in view of the political implications of the Schuman Plan. Any waiver should be drafted in specific terms so that it could not serve as a

precedent for other special regional plans or arrangements which did not have similar political justifications.

(iii) *United States Import Restrictions on Dairy Products*

7. It is expected that the United States will be strongly criticized by a large number of countries for its continued violation of the GATT. It is recommended that our delegation should associate Canada with such criticism but reserve Canada's freedom with respect to any retaliatory action.[15]

(iv) *Belgian Import Restrictions*

8. The International Monetary Fund, in its recent review of the Belgian exchange restrictions, concluded that some relaxation by Belgium of these restrictions was feasible under existing circumstances. It asked Belgium to reconsider the necessity for the present level of the restrictions affecting dollar imports. It is considered therefore that the Canadian and United States position on this question has been greatly strengthened. It is recommended that our delegation should continue to press for the relaxation of these restrictions.[16]

(v) *Accession of Japan*

9. The Japanese application for membership in the GATT will be considered at the Seventh Session. The central issue to be decided in the GATT is whether Japan is to be invited to negotiate with a view to accession. Instructions for the delegation on this subject might best be considered in the light of discussions which are expected to take place with Japanese representatives in Ottawa prior to the opening of the Session, or which may take place with any Japanese observers at the Session. Before that time, however, it may be necessary for the delegation to take a position in the GATT discussions since it appears that the U.S. will wish to have the matter discussed early in the session. In that event the Canadian delegation might indicate that, in principle, it is not opposed to Japan being invited by the Contracting Parties to negotiate with a view to accession, if the majority of Contracting Parties are interested in having their trading relations with Japan governed by GATT. The delegation might express uncertainty as to whether Canada will in fact participate in such negotiations. At the same time it might be made clear that Canada is interested in exploring the question of whether a basis can be found for application of the GATT to trading relations between Canada and Japan. The delegation might mention that bilateral discussions are expected to take place on certain aspects of these trading relations and final Canadian attitude towards tariff negotiations with Japan and to the application of GATT to Canadian-Japanese trade can best be determined in the light of those discussions.

10. *General.* In view of the important matters affecting trade and commercial policy to be considered at the forthcoming GATT session it is recommended that our delegation should keep the Government informed of significant

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[15] Voir le document 823./See Document 823.

[16] Voir le document 918./See Document 918.

developments and should seek guidance with respect to any important issues not specifically covered in these instructions.

BROOKE CLAXTON

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388. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa,] September 17, 1952

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GENERAL AGREEMENT ON TARIFFS AND TRADE; SEVENTH SESSION; CANADIAN DELEGATION

20. *The Minister of National Defence, as Acting Secretary of State for External Affairs* submitted recommendations as to the composition of the Canadian delegation to attend the Seventh Session of the Contracting Parties to the General Agreement on Tariffs and Trade which would begin at Geneva on October 2nd. He also submitted proposed instructions to the delegation for that meeting.

An explanatory memorandum had been circulated.

(Memorandum, Acting Secretary of State for External Affairs, Sept. 16, 1952 — Cab. Doc. 296-52)

21. *The Cabinet*, after discussion,

(a) agreed that the Canadian delegation to the Seventh Session of the Contracting Parties to the General Agreement on Tariffs and Trade to begin at Geneva on October 2nd be composed of the following officials:

Chairman:	Dr. C.M. Isbister, Director of International Trade Relations Branch, Department of Trade and Commerce
Delegates:	Mr. D.V. LePan, Department of External Affairs
	Mr. S.S. Reisman, Department of Finance
	Mr. A.R. Kilgour, Department of External Affairs, (Secretary to the Delegation)

(b) approved the detailed instructions to the delegation, as submitted by the Acting Secretary of State for External Affairs, respecting balance of payments import restrictions, the European coal and steel pool, United States import restrictions on dairy products, Belgian import restrictions and accession of Japan to G.A.T.T.; it being understood that the delegation would keep the government informed of significant developments at the Geneva meetings and would seek guidance with respect to any important issues not specifically covered in the detailed instructions referred to above.

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SUBDIVISION II/SUB-SECTION II

ACCESSION DU JAPON/ACCESSION OF JAPAN

389. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa,] August 14, 1952

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JAPANESE APPLICATION FOR ACCESSION TO THE GENERAL AGREEMENT ON TARIFFS AND TRADE

6. *The Acting Prime Minister* said that on July 19th, 1952, a telegram was received from the Executive Secretary of the G.A.T.T. advising that Japan had signified its desire to accede to G.A.T.T. A Canadian reply was required within 30 days unless an extension of a further 30 days was requested. Under the procedures for dealing with applications between G.A.T.T. sessions, consideration of an application would be deferred until the next regular session of the Contracting Parties if three or more Contracting Parties so requested. It was understood that the United Kingdom and France had already requested such deferment. It seemed highly probable that before August 18th a third country would have made the same request. In that eventuality Canada would not have to make a formal reply.

The Interdepartmental Committee on External Trade Policy recommended that, in the light of the forthcoming negotiations between Canada and Japan, it would be inadvisable to give Japan the impression unnecessarily that Canada was obstructing its accession to G.A.T.T. The Committee accordingly recommended that no reply be sent before a late hour on August 18th and that if, by that time, three countries had requested deferment no reply be sent at all. If three countries had not registered that view by late on August 18th a Canadian reply should be sent to the effect that the Japanese application should be deferred until the next regular session.

An explanatory memorandum had been circulated.

(Memorandum, Chairman, Interdepartmental Committee on External Trade Policy, August 13, 1952 — Cab. Doc. 238-52)†

7. *The Secretary of State for External Affairs* agreed with the recommendations. From reports as to the position of various governments it seemed almost certain that there would be at least the minimum of three objections to use of the intersessional procedure before August 19th.

8. *The Cabinet*, after discussion, approved the recommendations of the Interdepartmental Committee on External Trade Policy concerning the attitude to be taken by Canada with regard to the Japanese application for accession to the General Agreement on Tariffs and Trade and agreed that:

(a) the Japanese application should be deferred until the next regular session of the Contracting Parties;

(b) if at least three other Contracting Parties had recorded that view by August 18th, and thereby secured the desired deferment of the application, no Canadian reply be made;

(c) if by a late hour on August 18th less than three other Contracting Parties had registered that view, a Canadian reply be sent to the Executive Secretary requesting deferment; and,

(d) no reply be given regarding Canada's willingness to participate in tariff negotiations with Japan; the matter to be left for discussion at the regular session of the Contracting Parties.

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390. DEA/9100-P-10-40

Le secrétaire d'État aux Affaires extérieures
au délégué permanent auprès de l'Office européen des Nations unies

Secretary of State for External Affairs
to Permanent Delegate to European Office of the United Nations

TELEGRAM 84 Ottawa, August 18, 1952

CONFIDENTIAL. IMPORTANT.

JAPANESE ACCESSION TO GATT

Reference: Your Telegram No. 90 of August 15.†

Since more than required three contracting parties have now objected to use of intersessional procedure in case of major trading country like Japan, we assume that question of Japanese accession will in any case be place on agenda of Seventh Session. In the circumstances, no reply on our part would seem to be required to relevant questions in document GATT/CP.6/34.†

Please inform Wyndham-White of our understanding in this matter.

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391. DEA/9100-P-10-40

Le secrétaire d'État aux Affaires extérieures
au délégué permanent auprès de l'Office européen des Nations unies

Secretary of State for External Affairs
to Permanent Delegate to European Office of United Nations

TELEGRAM 103 Ottawa, October 2, 1952

CONFIDENTIAL

JAPANESE ACCESSION TO GATT

Following for GATT Delegation, Begins: United States Embassy here suggests that British and Americans have reached tentative agreement on text of a resolution which would ask Intersessional Committee to examine suitable conditions and timing for Japanese accession. We assume that this would, in effect, amount to postponement of issue until Eighth Session.

Please let us know if any consideration was given to proposed resolution during Commonwealth Pre-GATT talks and keep us informed of any relevant discussions you may be having with other delegations in Geneva. Ends.

392. DEA/9100-P-10-40

Le délégué permanent auprès de l'Office européen des Nations unies au secrétaire d'État aux Affaires extérieures

Permanent Delegate to European Office of the United Nations to Secretary of State for External Affairs

TELEGRAM 101[17] Geneva, October 4, 1952

CONFIDENTIAL. IMMEDIATE.

JAPANESE ACCESSION TO GATT

Reference: Your telegram No. 103 of October 2nd.

1. We have just learned the United Kingdom, through their Washington Embassy, have reached agreement with the United States on the following draft resolution for consideration by the Contracting Parties. Text begins:

The Contracting Parties: Taking note of the initiative of the Japanese Government in expressing its desire to accede to general agreement on tariffs and trades and to enter into tariff negotiations to that end: Recognizing Japan's desire to cooperate with other trading nations of the world: Recognizing further that Japan should take her rightful place in the special community of trading nations and to that end should be admitted to appropriate international arrangements: Agree that in order that further consideration can be given to the conditions and the timing under which the Japanese application should be pursued, the Intersessional Committee should make a detailed examination of the matters involved in this application and report on them. Text ends.

2. At the Commonwealth talks in London it was evident that Ceylon, India and Pakistan wished to accommodate Japan in GATT at the earliest possible date, and are unable to agree to the mere postponement of the Japanese application unless Contracting Parties at the same time give evidence of intention to take Japanese application seriously. Australia, South Africa and to a lesser degree New Zealand, informally share the view that mutually satisfactory trade relations must somehow be established with Japan, and they are interested in the possibility of special terms of Japanese accession to meet special problems of trade with Japan.

3. This present resolution needs not be interpreted as a delaying device, but rather as a method by which Contracting Parties can address themselves at an early date to the most important part of the problem, namely the study of the terms upon which Japan may eventually accede to GATT and in turn

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[17] Le télégramme porte la mention :/Noted in telegram:
This telegram repeated to London as No. 1820, October 5, 1952.

participate in the benefits. Our contacts with numerous delegations indicate that terms of eventual Japanese accession may take priority over question of invitation to Japan to negotiate with a view to accession.

4. According to the United Kingdom, India, Pakistan and Ceylon have indicated their agreement to United Kingdom-United States text.

5. We understand that consideration is now being given in Washington to formulation of possible terms of reference for Intersessional Committee. This subject is also being considered informally here in Geneva. There may well be explicit references to such matters as wage rate and costs of production in Japan. There may be a reference to Article XXXIII under which Japan could be consulted with regard to the terms of her accession. We are inclined to support this latter move which would undoubtedly be welcome to Japanese without necessarily prejudicing the outcome of the consultations.

6. At first plenary meeting the Contracting Parties agreed that Japanese observers be admitted.

7. Please repeat to London.

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393. DEA/9100-P-10-40

Le délégué permanent auprès de l'Office européen des Nations unies
au secrétaire d'État aux Affaires extérieures

Permanent Delegate to European Office of the United Nations
to Secretary of State for External Affairs

TELEGRAM 105[18] Geneva, October 8, 1952

CONFIDENTIAL. IMMEDIATE.

JAPANESE ACCESSION TO GATT

Reference: My telegram No. 101 of October 4th.

Please repeat London attention Bull and Deutsch.

1. Japanese item is now scheduled for plenary session on Friday since Thorp wishes to participate leaves Geneva on Sunday. Delegations principally concerned are approaching agreement along the lines of text sent you in my telegram under reference. The preamble has now been extended to take note of Article XXXIII, repeat XXXIII, which provides that a government not a party to the general agreement may accede to it on terms to be agreed between such governments and contracting parties. An additional final sentence will probably read as follows: "In the course of this examination the committee may seek the views of the Japanese Government."

2. This revised text seems to us to be satisfactory and appears to represent largest measure possible of common agreement at this session. In view of the difficulties encountered in establishing present text it should be explained that it may be very difficult for us to secure further amendments to it. If substance

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[18] Le télégrammme porte la mention :/Noted on telegram:
Repeated to London as No. 1843.

of resolution is not, repeat not, satisfactory, we should receive advice prior to 3 p.m. Geneva time Friday, October 10th. If we do not, repeat not, receive further instructions by that time, we shall support resolution to avoid creating an impression of hostility to Japan.

3. Because we have been puzzled by American acquiescence in present resolution, I approached Thorp privately to enquire whether the United States is now supporting Japanese application less strongly than hitherto. This led to an interesting discussion in which Thorp's remarks confirm what we had suspected. Thorp explained that basic United States policy of protection changed on Japanese question. On the other hand, he is very optimistic that a new Democratic administration might in its first year so liberalize the Reciprocal Trade Agreements Act as to enable the United States to go farther in tariff reductions than would be possible if negotiations were to take place with Japan at the present. At the very least he would hope to get rid of this point and an attempt would be made to modify traditional balance of reciprocal negotiations by introducing new principles of unilateral tariff reductions to be used in certain circumstances. (Parenthetically Thorp remarked that a Republican administration might just about hold the line of present commercial policy.) He had told the Japanese that the United States might be able to do much more for them in negotiations to be discussed hence than they could do today. Thorp mentioned to me the absence of any widespread public demand in the United States for expanded trade with Japan. He said the United States support of present resolution is a "low pressure" operation in the direction of eventual Japanese accession.

4. The United States does not, repeat not, wish to push so hard as to impel countries like the United Kingdom and France to take refuge in redeclarations of intention, resorting to Article XXXV. Thorp understands and accepts the point of view of the United Kingdom outlined in the following paragraph.

5. United Kingdom representatives have explained to several delegations their desire to avoid presenting the Beaverbrook press with a new basis of support for preferential trade by raising Japanese issue sharply at this time. They feel that the United Kingdom Government has been fairly successful in shelving some of the more extreme proposals for protected trade. Any commitments by the United Kingdom with regard to trade with Japan might raise the clamor of the Opposition which the United Kingdom Government hopes to avoid. In this connection Frank Lee told me in London that six months delay would mean a great deal to the United Kingdom at this time.

6. Hagiwara, head of Japanese Observers, tells me they would have preferred to proceed more rapidly but in the circumstances are satisfied with the text as it now stands. Within the period of four years referred to in Article XII of the Peace Treaty, Japan hopes to negotiate agreements with many countries with regard to trade and also with regard to establishment, navigation, immigration and so forth. They understand the length of time required to arrange multilateral GATT negotiations but they hope nothing will delay completion of all their negotiations beyond the four-year period. We explained to him that the contracting party must in any event face the question of status of present

schedules and also of future tariff negotiations prior to the end of 1953 and we assured him that Canada has no, repeat no, intention of creating delays.

7. We asked Hagiwara whether Japan still wishes to conduct bilateral trade discussions with us or whether they would prefer to replace these with discussions which may now take place under GATT. He said Japan still wishes to meet us bilaterally to ascertain our intentions under Article XII of the Peace Treaty and to determine in this way Japan's obligations towards Canada. He felt these discussions should logically precede negotiations which might take place later under GATT.

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394. DEA/9100-P-10-40

Le délégué permanent auprès de l'Office européen des Nations unies au secrétaire d'État aux Affaires extérieures

Permanent Delegate to European Office of the United Nations to Secretary of State for External Affairs

TELEGRAM 111 Geneva, October 14, 1952

CONFIDENTIAL. IMMEDIATE.

JAPANESE ACCESSION TO GATT

Reference: My telegram No. 101 of October 4 and No. 105 of October 8.

Please repeat to London for Bull and Deutsch.[19]

Following from GATT delegation, Begins:

1. Japanese observer appeared before plenary session on October 10th and his appeal was well received by a number of delegations which spoke in reply. In general Japanese application is being taken quite seriously and there seems to be a widespread desire to study the best means of dealing with special difficulties of Japanese accession to which several delegations referred. Text of our Canadian statement is contained in immediately following telegram. The resolution conveyed to you in our telegram under reference will be presented by Chairman at a plenary session on October 14th and will probably be approved. It may be helpful to outline some of the problems and alternatives as we see them.

2. Hagiwara, the Japanese representative, is interested whether it would be possible for Canada and Japan to negotiate tariff bilateral in near future and at a later date fit the results into general pattern for Japanese tariff negotiations for accession to GATT.

3. We have not, repeat not, yet reacted to this suggestion which was put up merely as a general proposition for discussion. It seems probable Hagiwara will find an occasion to return to this subject. Since we had planned our bilateral

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[19] Notre exemplaire porte l'ajout:
The following was written on this copy of the document:
Not repeated to London since Bull & Deutsch are on their way to Ottawa. K. G[oldschlag]

discussions in Ottawa with Japanese to deal merely with customs valuation and with Most Favoured Nation treatment it would seem premature at this time to introduce subject of tariff negotiations.

4. As explained earlier we understand from Thorp that Japanese seem to be reconciled to idea that it is in their own interests to accept a delay of possibly a year in their tariff negotiations with United States. We propose to explain to Japanese that United States is a principal supplier under many of the Canadian tariff items in which Japan has an interest and that Japan would do better to wait for multilateral tariff negotiations in which United States also would participate. We can explain also that a government acceding to GATT is negotiating for benefit of all tariff reductions which were accorded one another at an earlier date by existing contracting parties. This would make it difficult for Canada and Japan to conclude bilateral tariff negotiations in advance of multilateral negotiations for accession.

5. On the other hand, Japan might well be prepared to negotiate in Ottawa special valuation provision or escape clause to apply reciprocally between Canada and Japan, each country otherwise according to the other Most Favoured Nation treatment. Such an arrangement could apply pending eventual Japanese accession to GATT.[20] In negotiations for Japanese accession to GATT we may later find other countries interested in adopting such special valuation provisions of a continuing nature. The resolution now before contracting parties is written to prepare the way in some measure for that source of action. For us to proceed along this line might well be to blaze the trail for general action by the contracting parties at a later date.

6. However, in this connection, it is relevant that of the non-Asiatic GATT countries none of them seem to contemplate bilateral negotiations with Japan in near future either with regard to Most Favoured Nation treatment or with regard to tariff rates. Several of them were approached as we were under Article XII of peace treaty but have given us the impression that they are still studying their replies. Having in mind substantial differences between Canadian Most Favoured Nation tariff rates and general tariff if we negotiate a Most Favoured Nation agreement with Japan in the near future we would be in position for a year or possibly two of being only non-Asiatic country which is making substantial tariff concessions to Japan.[21] While we do not, repeat not, wish to over-emphasize the importance of this fact which has become clear at this session it may be a reason for proceeding a little more slowly than had been contemplated earlier.

7. Hagiwara said Japanese wish to come to Ottawa to determine their responsibilities under Article XII of peace treaty by (group corrupt) what treatment Canada intends to grant to Japan. He went on to say Japan will not, repeat not, in general, be able to extend Most Favoured Nation treatment even for brief period to the countries which do not, repeat not, reciprocate. Although

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[20] Note marginale :/Marginal note:
Negotiate immediately.

[21] Note marginale :/Marginal note:
don't negotiate for immediate application.

he did not, repeat not, explicitly refer to Canada there was no doubt of what he meant. I asked him direct at that point whether Japan would in fact penalize Canadian exports if Canada failed to extend Most Favoured Nation treatment to Japan during the period in which Japanese accession is under active consideration in GATT and while Japan is obtaining necessary material and foodstuff from Canada. His reply was a bit evasive and in view of language difficulty I am not, repeat not, perfectly sure that he got the point.

8. As a (group corrupt) on last paragraph our position at this session has included us amongst group of countries which are relatively speaking friendly and well disposed towards establishing satisfactory trade relations with Japan. It would seem short sighted for Japanese to adopt strong punitive measures against us in these circumstances. You may wish to consider whether, in Geneva, we might try to tell the Japanese quite frankly that Canada can not, repeat not, get very far ahead of the United States in commercial policy toward Japan and that we are already according Japan equally good if not better tariff treatment than United States. We might suggest that Ottawa discussion be used to try to reach agreement on terms under which Most Favoured Nation treatment might eventually be extended. We could offer help to Japanese by trying to get other GATT nations to accept similar terms in connection with the Japanese accession to GATT thus avoiding widespread use of Article XXXV. We could assure Japan of our desire to build up cordial trade relations and counsel them in their own interest not, repeat not, to start to raise trade barriers against us during this period. We could put this forward as a personal assessment of what kind of negotiations our government might now be prepared to enter into. If it proved wholly unacceptable to the Japanese, it would be possible later in Ottawa to move somewhat further along the line of Most Favoured Nation treatment at an early date. Ends.

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395. DEA/9100-10-40

Le délégué permanent auprès de l'Office européen des Nations unies
au secrétaire d'État aux Affaires extérieures

Permanent Delegate to European Office of the United Nations
to Secretary of State for External Affairs

TELEGRAM 112 Geneva, October 14, 1952

JAPANESE ACCESSION TC GATT

Reference: Our immediately preceding telegram.

Please repeat London for Bull and Deutsch.[22]

Following from GATT delegation.

1. Following is text of Canadian statement, text Begins:

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[22] Voir le document 394, note 19 au bas de la page.
See Document 394, footnote 19.

Mr. Chairman:

My delegation has listened with great interest to the statement made by the representative of the Government of Japan. This is the first occasion upon which the Japanese observer has addressed the contracting parties. The Canadian delegation welcomes his presence at this session and his participation in this meeting.

2. The contracting parties have been notified of Japan's desire to accede to the General Agreement on Tariffs and Trade. My delegation is interested in exploring the question of whether a basis can be found for the establishment of mutually acceptable trade relations between our own country and Japan. We are hopeful that such a basis can be found.

3. My delegation considers it desirable that the contracting parties should adopt some effective procedure for the consideration of this case. We understand the desire of the Government of Japan to avoid delay in establishing the commercial agreements by which its trade with other countries will be conducted. Japan is an important country in world trade. It is desirable, therefore, that the contracting parties study all aspects of this case with care so that generally acceptable conclusions may be reached. The problems raised by the Japanese application are numerous and complicated so that even with the most expeditious procedures it may still take some time for the contracting parties to reach their conclusions. The Canadian delegation, for its part, is prepared to participate in an examination of the special problems raised by the Japanese application.

4. It may be hoped that the Chairman, with his customary ability, will be able to propose some satisfactory method of procedure. My delegation has taken it for granted that a working committee, when established, will seek the views of the Japanese Government in attempting to determine mutually acceptable international trading arrangements with Japan. In this connection I should like to draw your attention, Mr. Chairman, to Article XXXIII of the General Agreement in which it is provided that a government not party to the General Agreement may accede to it on terms to be agreed between such government and the contracting parties.

5. Once again, Mr. Chairman, I would like to make clear the interest and pleasure with which we have heard the Japanese representative. Text ends.

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396. DEA/9100-P-10-40

Le secrétaire d'État aux Affaires extérieures
au délégué permanent auprès de l'Office européen des Nations unies

Secretary of State for External Affairs
to Permanent Delegate to European Office of the United Nations

TELEGRAM 113 Ottawa, October 21, 1952

CONFIDENTIAL

JAPANESE ACCESSION TO GATT

Reference: Your telegram No. 111 of October 14.

Following for GATT Delegation, Begins: We agree that we would not consider entering into bilateral tariff negotiations with Japan in advance of general tariff negotiations which must, in any case, precede Japanese accession to GATT. Accordingly, it would be appropriate for you to speak to Hagiwara along lines of your paragraph 4 in the event that he raises this question again.

2. If we understand train of argument in your paragraphs 5-8 correctly, you would suggest that we discuss basis on which most-favoured-nation treatment might eventually but not immediately be accorded by us to Japanese goods. In interval between termination of your talks with Japanese in Ottawa and Japan's accession to GATT present tariff treatment of Japanese imports would continue on understanding that Canada would seek to take lead in facilitating Japanese accession to GATT on basis of formula agreed upon for bilateral arrangement, and that Japan would not apply punitive surtax on Canadian products.

3. While we would not wish to minimize validity of premise set out in paragraph 6 of your telegram, we wonder if any other non-Asian country (with exception of United States) enjoys such a substantial surplus in its trade with Japan as Canada. Moreover, while it is true, as you suggest in your paragraph 8, that our general tariff rates are probably as good, if not better than United States single column tariff rates, fact remains that we are discriminating against Japanese imports whereas United States is not.

4. Japanese have now indicated informally that they are likely to be ready to initiate bilateral discussions with us in about a month's time. They are still working on draft terms of agreement which they intend to submit for our consideration. Your suggestion as to position it might be appropriate for us to take at Ottawa discussions has been the subject of careful study by departments primarily concerned. Consensus of views is that it might be preferable at this stage to await developments during forthcoming discussions before giving any indication of Japanese along lines proposed in your message.

5. In reaching this conclusion we had in mind two main considerations. First, we were not sure if it would be desirable for us to "blaze trail" for Japanese accession to GATT, especially when, as your messages have made clear, United States' attitude toward admission of Japan has undergone some modification. Secondly, we would not wish to give impression that Canada is now seeking to draw back from original indication we gave to Japanese Ambassador here to the effect that we were prepared to place our trading relations on most-favoured-nation basis if and when bilateral agreement could be reached. You will agree that atmosphere of impending bilateral discussions might well be soured if we now conveyed impression to Japanese that general reluctance of other countries to negotiate with Japan or to accommodate Japan in GATT had induced us to alter original basis of negotiations.

6. Japanese have expressed their appreciation to us for statement embodied in your telegram No. 112 and general position you have taken in Geneva. In these

circumstances we are particularly anxious not to forfeit advantage of goodwill already gained.[23] Ends.

SUBDIVISION III/SUB-SECTION III

APPRÉCIATIONS/ASSESSMENTS

397. DF/152-17

Extrait de la lettre du chef de la délégation à la septième session des parties contractantes à l'Accord général sur les Tarifs douaniers et le Commerce au sous-secrétaire d'État aux Affaires extérieures

Extract from Letter from Chairman, Delegation to Seventh Session of Contracting Parties to General Agreement on Tariffs and Trade to Under-Secretary of State for External Affairs

[Geneva,] October 12, 1952

Dear Dana [Wilgress],

This is a personal letter about things at the Seventh Session, because I know you are interested. It is not intended, of course, as a substitute for official messages. Please do not feel under any obligation to reply.

We have been busy, indeed, for the first ten days — and nights. The session is more largely attended than other recent ones. The substance of the issues is more important than we had supposed in advance. As a result, our Delegation of four is rather thin on the ground. Five would have been better. With LePan and Reisman, the quality of the team is very high and we can take on anything that arises. Kilgour is fitting in well, too, and being very useful.

Most of the larger issues at this Session have by now been pretty well settled in principle — Japanese accession, Belgian import restrictions, United States restrictions on dairy products, and the general approach to the balance of payments consultations.

We have had several talks with Hagiwara, the Japanese representative, and our two delegations are on good terms. Hagiwara is accompanied by no less than fifteen associates who extend in meetings as far as the eye can see. We have already sent messages to you about Japan. I am going to draft one more today.

Our position on Japan seems to fit quite neatly into the general pattern of the other countries. We have made friends with all the Asiatics here by our view that, even if there are special difficulties to be faced, we must live and trade with Japan and should, therefore, try to find mutually acceptable agreements on which to conduct trade. All the delegations seem anxious to avoid forcing Japan into an aggressive regionalism by excluding her from G.A.T.T. On the other hand, there is no immediate sense of urgency about admitting her. The Japanese themselves seem to accept the fact that their application to G.A.T.T. in advance of this session may have been premature.

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[23] Voir le document 1030./See Document 1030.

In discussions with other delegations, we have put into circulation the idea of meeting special problems of the various countries by writing appropriate safeguards into the eventual terms of accession of Japan, to be applicable for perhaps a limited period of years, and Japan otherwise to participate fully in G.A.T.T. This approach has taken hold and seems to be pretty generally acceptable in principle.

We are very close to agreement with the Belgians on their import restrictions. The Americans and ourselves have had some exasperating meetings with the Belgians but our relations have been harmonious throughout. The Belgians have now taken a text back to Brussels, by which they will announce a list of relaxations to take affect in the near future. They are prepared to have us express views on particular items we wish to be included in the list. They will imply strongly that this is just a first step, unless their position deteriorates. If and when the Belgian Government says they will accept the text, to which we have not committed ourselves as yet, we shall send it along. The United Kingdom does not seem to be at all worried about this solution, as yet, at any rate. You will remember that last year the United Kingdom supported the Belgian restriction more strongly than the Belgians did.

We have not yet reached agreement with other delegations on what to do in the Contracting Parties about the United States restrictions on dairy products, but this should not be too difficult. The Americans have removed or greatly increased the quotas applicable to some types of cheese and they have increased all the quotas by a nominal 15%. They have three quota periods in the year, however, and by making the whole of the 15% available for the current 4-month period, the effective rate of increase is really 45%. If things go well, they will try again to get rid of the remaining quotas early next year.

We had some troubles with the United States on the balance of payments consultations, but these seem to have been fairly well overcome. The Leddy mission told us in Ottawa of their interest in laying a greater emphasis on trade aspects and upon general techniques of import control in the consultations this year. We agreed and even approved of this idea, provided it was intended merely to change the emphasis, and not to divert attention from the basic questions of whether countries are entitled to have any quantitative restrictions and, if so, whether their restrictions are excessive.

We were given to understand that the Americans wished to refer to commodities to increase their own information about techniques of import controls and to provide concrete examples of general principles. What the Americans did not tell us, in Ottawa, was that they were sending official messages to several countries in advance, and in one or two cases rather brusque messages, with lists of products and a stiff notice that the United States would utilize the balance of payments consultations to have a searching and detailed discussion of these commodities.

This approach was evidently established carefully and interdepartmentally in Washington and the Department of Agriculture has sent three people here to the balance of payments working party. One of these is our old friend, Fred Motz. State Department provides the spokesman and George Bronz, the single Treasury representative, looks most unhappy and keeps quiet.

This new American approach threatened at first to be difficult to change, and it certainly threw the other delegations into a turmoil. For the other exporting countries, it raised the question of whether they should also submit lists. The importing countries were perturbed at the possibility of these lists mushrooming into hundreds of items. American prestige was weakened by the appearance on their lists of a number of inconsequential items which have obviously been the subject of representations to the State Department and have been included on their lists for parochial political reasons. The important items were all fruits and vegetables and, of course, these latter are highly important to us.

I finally went to Willard Thorp and referred in very general terms to our hope in Canada that it might be possible before long for everybody to take a new look at extending multilateral trade, removing restrictions and doing something about covertibility. I told him I thought it would be disastrous to create the impression that North American concern about these large problems is focussed on a desire to get rid of a few surplus agricultural products overseas. I told him I thought this would be the consequence of pursuing the course they were proposing in the balance of payments consultations. Willard picked up this point and proceeded to discuss it. I think he was already a bit embarrassed by the whole situation they had created. I feel sure Willard had not himself been aware previously of the sharp text of the note they sent to South Africa. I don't think any of the Americans had really thought their way through all the implications in advance of making their new proposals.

The upshot was that Willard made quite a good statement in the Contracting Parties and their questions about commodities are to be "fitted in" to the balance of payments consultations in a natural way, and without too much fuss. This seems to be in accordance with the sort of procedure which we had envisaged and are well prepared to follow.

Reisman is carrying the balance of payments working party as his major job although he is, of course, getting into numerous other things in addition. The United Kingdom made a good statement yesterday in the working party, in which they were quite objective in describing their own situation, in which they mentioned the harmful effects of import controls, and referred to the importance of internal policies to rectify the underlying problems. Most of the countries wish merely to retain previously formulated positions in the balance of payments consultations this year, so there is not much in the way of new doctrine.

The waiver for the new European Coal and Steel Community is one of the most important items at this Session. The subject matter is new to us and very complicated, and LePan arrived at just the right moment to represent us on this working party. He is succeeding admirably in helping to formulate the problems of a waiver under the G.A.T.T. and, at the same time, is taking a friendly, sympathetic attitude towards this new European plan. The Europeans themselves are very excited about it and they have all sent special people to deal with this item. As you may know, Spirenburg has left the Netherlands Government to serve on the High Authority, as has Cecil Weir from the United Kingdom.

There is a considerable amount of talk about the need for an important session next year. Some are referring to it already as a constitutional session, although I am not perfectly clear on what that is supposed to mean. Sometimes the talk takes the form of asking what do we do three years after Torquay. Sometimes it takes the form of asking whether the present agreement can contain Japan or whether there will be a widespread withdrawal of bound items in the face of Japanese accession. There is some speculation also about reconsidering some of the basic provisions, if the United States Government should adopt a new and more liberal approach to commercial policy next year. All of this is very hypothetical, but, added to the Schuman Plan, I think it is the underlying reason why there is a good deal of bustle and interest attaching to this Session. As an example, even the innocuous item of special Italian customs treatment for Lybian products provoked a surprisingly serious debate on the principles of tariff preferences.

Parenthetically, the steam has all gone out of the European tariff equalization issue. Perhaps the Europeans are waiting to see what the United States will do next.

Melander has asked me quite seriously how we feel about holding next year's session in Canada. I promised to return to this discussion with him. I don't know whether our Government would want to have it in Canada in an election year. If we were certain that the next Session would be able to assemble in the light of brave new commercial policies in the United States, I suppose we would be more interested. It would certainly be helpful to receive any guidance you might care to give on this one. You will remember that last year we said we thought regular business sessions should be held in Geneva.

I have been a bit busier myself at this Session. In addition to our own Delegation's business, I have been asked to take on the chairmanship of one of the three important working parties, this being the one to deal with all of the cases of commercial complaints and difficulties. There are seven or eight such cases, some of them quite interesting. It is expected that this working party will be appointed and start work this week.

I have also been asked informally to try my hand at mediating between Pakistan and India on a difficult problem which has arisen. It is a problem to which an early solution is very desirable. I have undertaken to see them both to try to find what common ground there is. Pakistan has imposed export control on jute going to India and it seems likely to cause immediate damage and endless friction unless something can be done.

Wyndham-Whyte remarked that when you were Chairman you would have resolved this one yourself by interviewing the two delegations, but the present Chairman is not good at this sort of thing.

Wyndham-Whyte is doing a first class job, as always. Suetens is spokesman for the European countries on the Schuman Plan and always speaks of you, as, in fact, do most of the delegation heads. . . .

This has turned into a longer letter than I initially intended. I shall send a copy to Bull and Deutsch in London.

Yours faithfully,

CLAUDE ISBISTER

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398. DF/152-17

Extrait de la lettre du délégué à la septième session des parties contractantes à l'Accord général sur les Tarifs douaniers et le Commerce au directeur de la Division des relations économiques internationales du ministère des Finances

Extract from Letter from Delegate to Seventh Session of Contracting Parties to General Agreement on Tariffs and Trade to Director, International Economic Relations Division, Department of Finance

Geneva, November 4, 1952

Dear John [Deutsch],[24]

The session is now in its wind-up stage and I thought you might be interested in some of the things that have kept us busy here for the last month. You have no doubt seen our despatches and telegrams on the various detailed issues, so that there is no need to repeat them here. There are, however, a few observations I would like to make which have not been the subject of reports home.

You will recall that most of us felt this Session would not be of great significance, having in mind the position of the United States and the United Kingdom, as well as the deterioration in the trade situation generally. With the exception of the discussion concerning Japan this has, in fact, been true. At the same time, it is perhaps worth pointing out that, both from the point of view of representation, and the agenda, this Session has shown quite a surprising vitality. Countries both large and small appear to be taking the agreement seriously, and look to it to protect them against many of the day-to-day abuses which are bound to arise in international trade. The agenda included quite a few complaints affecting internal taxes, tariff increases and trade restrictions of one kind and another, which have in large measure been resolved to the satisfaction of all parties concerned.

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[24] Note marginale :/Marginal note:
A very good report from Reisman. J. D[eutsch]

There has been little formal discussion of the need for a general review of the agreement, but it is fair to say that the consensus of opinion is that such a re-examination in the not too distant future is necessary. On the other hand, most delegations would agree that the present agreement would provide a suitable point of departure, to be modified in the light of actual post-war experience. Very few people would suggest that we really have to make a fresh start.

The consultations on trade restrictions and discrimination maintained for financial reasons did not prove to be as controversial on this occasion as they usually are. The fact that the difficult consultations, including South Africa, Southern Rhodesia and New Zealand were postponed, had something to do with it. Then too, the attitude of the consulting governments was more helpful than in the past. The Australian position seemed to reflect their new attitude. The United Kingdom was represented by an able forward-looking Treasury official, Edgar Jones, who probably belongs to that group of United Kingdom officials who are still wedded to liberal economic doctrine.

You will be pleased to hear that the consultations carried out at this Session included a frank discussion of the relationship between internal fiscal and monetary policies and exchange difficulties. Surprisingly enough, countries were quite prepared to discuss this aspect of the problem, in the context of alternative corrective measures, even though the G.A.T.T. is fairly specific on the sovereignty of national governments in the matter of domestic policy. We have not yet completed the reports on quantitative restrictions and discrimination, but unless there are drastic revisions in this next few days, it is fairly certain that the reports will reflect in large measure the views which we have been expressing in the Fund and elsewhere.

We had some difficulty in the early stages of the consultations in getting the committee to focus properly on the essential issues. The United States had envisaged using the consultation procedure to make representations to the consulting countries with respect to certain specific commodities which had been the subject of complaints in the United States. In our view, this would have distorted the basic purpose of the exercise, and would have left the impression that the United States had now accepted discriminatory trade restrictions as a permanent feature of trade policies. We finally succeeded in getting the Americans, with the help of Willard Thorp, to see our point of view. I gather that their recent instructions from Washington are much closer to our position, because they have joined us in pressing for the kind of report that deals with fundamentals.

In essence, we expect that the final report will say two things. Firstly, that restrictionism does not provide a solution to exchange problems. Secondly, that in searching for solutions which go to the root cause of their difficulties, countries would be well advised to take a closer look at internal policies which have led to inflation. This is of course old stuff as far as our thinking is concerned. Insofar as the report is adopted by the Contracting Parties, however, and represents the views of all the participating governments, it carried more weight than the views of one or two governments.

Perhaps the most significant achievement at this Session, from the Canadian point of view, is the undertaking by Belgium to relax its dollar restrictions as a first step in the return to a régime of complete freedom from restrictions. This looks good on paper but I think it would be premature to "count our chickens" at this stage. The discussions revealed that Belgium's partners in the E.P.U., and particularly France and Holland, will make strenuous efforts to keep the Belgians from going very far or very fast towards these objectives.

Insofar as the Japanese application for accession is concerned, perhaps the most important fact is that the United States is proceeding more cautiously than we had anticipated. The action taken here is, in my view, no more than a polite postponement of the real issues. It is most unlikely that anything will emerge on the G.A.T.T. front for some considerable time to come. At the same time, I think we succeeded in building up considerable good will with Japan so that any bilateral discussions which we undertake should in no way be prejudiced by developments in the G.A.T.T.

Concerning United States restrictions on dairy products, you are of course aware that the United States administration has introduced a number of relaxations in the last month or so. We were given to understand that if these relaxations do not lead to serious complaints from the United States dairy interests further relaxations will be forthcoming in the not too distant future. Holland was the only country which announced actual retaliation and, incidentally, the Dutch action should make it possible for us to sell a little more wheat flour in the coming year. You are also aware that Australia and New Zealand may announce measures of retaliation within the next few months. Australia, I expect, will approach us formally on the question of restoring the margin of preference on dried fruits. You may expect to hear more about this at the London Conference.

In a more personal vein, the delegation has had little respite since the Session commenced. By any standards, we are a small delegation indeed, ranking with Ceylon and Cuba in numbers, and well below delegations such as Australia which have as many as ten members. This has meant a fairly continuous burden of work, since, as you know, Canada generally is represented on almost every working party. As usual, we have also been performing certain functions which go somewhat beyond the direct Canadian interest. For example, Claude Isbister is the Chairman of the Panel on Complaints which is handling a number of important commercial policy complaints, including a pretty sticky one between India and Pakistan. I was appointed Chairman of the Working Party on Applications under Article XVIII for Economic Development. Doug LePan has been helping the Europeans settle their differences on the Schuman Plan waiver as well as cover our front on the proposal for the levelling of tariffs. Incidentally, the tariff scheme has not raised much interest at this Session. I am inclined to think that the scheme will be stillborn.

If all goes well, we expect the Session to terminate, at the latest, November 11th.

. . .

Yours sincerely,
SIMON REISMAN

SECTION B

CONFÉRENCE DE LA CROIX-ROUGE INTERNATIONALE, 23 JUILLET-9 AOÛT 1952

INTERNATIONAL RED CROSS CONFERENCE, JULY 23-AUGUST 9, 1952

399. DEA/9456-JY-40

Note du sous-secrétaire d'État aux Affaires extérieures pour le secrétaire d'État aux Affaires extérieures

Memorandum from Under-Secretary of State for External Affairs to Secretary of State for External Affairs

RESTRICTED Ottawa, April 3, 1952

INTERNATIONAL RED CROSS CONFERENCE

1. We have known, ever since we agreed to this conference being held in Toronto this summer, that Communist governments and governments of states we do not recognize, would be invited. *Both* the Germanies, and *both* the Koreas are now, we learn, to be invited. We can, if we choose, protest against any of these, although our opinion has not been asked.

2. The Canadian Red Cross has asked our advice about the Formosa Government. The Communist Chinese Government has already been invited through this Department. The Standing Commission of the Conference at Geneva has asked the Canadian Red Cross its view on the advisability of inviting also the Nationalist Chinese Government. Apparently all members of the Standing Committee are being polled and the decision will go by a majority vote of those polled. The same question is being asked about the Chinese Red Cross Society which has its headquarters in Formosa.

3. We have so far taken the position that the Red Cross people are themselves the ones to decide who should be invited to the Conference. We think that if we once interfere, we may well be drawn into numerous disputes. Our view within the Department has been that governments and societies of any country in which hostilities are apt to occur, or whose forces are apt to be engaged in hostilities, should be invited, if eligible. Hence, for example, we did not protest the invitation to Communist China.

4. If we follow the same principles, we should not object to North Korea being invited, even though we branded North Korea as an aggressor. I therefore recommend that we raise no objection regarding North Korea, and

that we transmit the invitation, when received, through appropriate channels. I must, however, remind you that Torontonians and some other Canadians may not like this, and that you are yourself a member of the General Committee of the Conference.

5. As to Nationalist China, it would politically be more comfortable for us if that Government were invited. It presumably has no doubts of its own eligibility. It will feel itself slighted if left out. It will, perhaps, complain to this Department. An invitation to Nationalist China would also fall within our policy of having all potential belligerents attend. Nevertheless, I would recommend that we adhere to our rule — that is, we should decline to advise the Canadian Red Cross Society. If you agree, I shall cause the Canadian Red Cross Society to be told orally that we do not think this is a question appropriate to be addressed to the Canadian Government. If pressed for "unofficial" advice, we could add, "off the record" that we certainly had no objection to the Formosa bodies being invited.[25]

A.D.P. H[EENEY]

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400. DEA/9456-JY-40

Le sous-secrétaire d'État aux Affaires extérieures
à l'ambassade aux États-Unis

Under-Secretary of State for External Affairs
to Embassy in United States

LETTER No. V-829 Ottawa, May 5, 1952

SECRET

XVIIITH INTERNATIONAL RED CROSS CONFERENCE

Reference: Your telegram No WA-964 of April 9.†

On April 30, the Minister received Mr. H.H. Leather, Chairman of the Executive Committee of the Canadian Red Cross Society, Dr. W.S. Stanbury, the National Commissioner, and Mr. Cuthbert Scott, the Special Representative in Ottawa of the Canadian Red Cross Society.

2. The various problems arising out of the forthcoming Conference in Toronto were discussed and the Red Cross representatives agreed that the Department's concern over the presence of the Chinese communists and the North Koreans might be lessened by extending an invitation to the Chinese Nationalist Government in Formosa. They agreed to make a recommendation to this effect to the Standing Commission of the Conference in Geneva.

3. The Standing Commission has now approved the issuing of an invitation to Nationalist China and the Minister has written to Mr. Leather confirming the

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[25] **Note marginale :/Marginal note:**

I would certainly resign from any committee of the conf[erence] if North Koreans were invited to this conf[erence] and the Chinese nationalists were not. As a matter of fact, I think I'll have to reconsider our whole attitude to this conference in the light of the information in this memo. L. B. P[earson]

provisional understanding at the April 30 meeting that there will be no change in the policy of co-operation so far followed by the Department in regard to the Conference.

4. This means that invitations have reached or will reach the communist authorities at Pekin, the Nationalist Chinese Government in Formosa, the North Korean authorities, the South Korean Government, as well as the Government of West Germany and the authorities in East Germany. This information you may wish to transmit to the State Department.

5. I may add for your information that the Canadian Red Cross Society expects the invitation sent to the U.S.S.R. and its satellite states to be accepted and also expects a mixed official — Red Cross delegation — to be sent by Communist China. The Canadian Society does not expect North Korea to attend, but on that point I have no other information. These details you may pass to the State Department at your discretion.

S. MORLEY SCOTT
for Acting Under-Secretary of State
for External Affairs

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401. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa,] June 15, 1952

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INTERNATIONAL RED CROSS CONFERENCE; 18TH SESSION, TORONTO, JULY-AUGUST, 1952; GOVERNMENT REPRESENTATION

25. *The Secretary of State for External Affairs* said the 18th Session of the International Red Cross Conference would be held in Toronto between July 23rd and August 9th, 1952. It would be attended by the International Committee of the Red Cross, representatives of the League of Red Cross Societies (the Canadian Red Cross Society acting as host) and representatives of many of the governments with which Canada had close associations. As the session would not be primarily for government representatives and some delicate political questions were likely to be raised by representatives of communist countries he recommended that the government be represented by three officials acting as observers rather than full delegates, these officials to be drawn from the departments of National Health and Welfare, National Defence (probably from the office of the Judge Advocate General) and External Affairs. It might be left to the departments concerned to agree among themselves as to the officials who should attend and the chairmanship of the official delegation.

26. *The Cabinet*, after discussion, approved the recommendations of the Secretary of State for External Affairs and agreed that three officials, to be drawn from the departments of National Health and Welfare, National

Defence and External Affairs, attend as observers at the 18th Session of the International Red Cross Conference beginning in Toronto on July 23rd, 1952; the departments concerned to agree among themselves in consultation with appropriate Ministers, as to the three officials who should attend and the chairmanship of the official delegation.

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402. DEA/9456-JY-40

Note du sous-secrétaire d'État suppléant aux Affaires extérieures pour le secrétaire d'État aux Affaires extérieures

Memorandum from Deputy Under-Secretary of State for External Affairs to Secretary of State for External Affairs

CONFIDENTIAL [Ottawa,] July 30, 1952

Mr. Morley Scott telephoned Mr. Ritchie on July 29 to give us a preliminary report on the Red Cross Conference in Toronto and, in particular, on the handling of the issue regarding the status of the Formosan Red Cross. This subject came up for decision in the Conference on Monday, July 28.

2. The Chairman of the Conference, Mr. McAuley, put to the vote a motion sustaining the decision of the Standing Commission to maintain the status quo, i.e. the position of the Formosan Red Cross as observers. This vote was carried by 55 in favour, 25 against and 5 abstentions (both the Chinese Nationalist and Communist Delegations voting against the motion, although obviously on different grounds). The Communist Delegation voted against the motion because it was their contention that the Formosan Red Cross should not be represented at the Conference in any capacity. The Nationalist Chinese Delegation have apparently dropped the notion of a "walk out" from the Conference and seem to have accepted this decision with resignation. Mr. Scott said that they had shown great moderation in pressing their claims. In private conversations with them, he had pointed out that it was only due to the intervention of the Canadian Government that they had been invited to the Conference at all. He thought that this information had influenced their attitude in the direction of moderation.

3. Thus the first hurdle has been successfully surmounted. Mr. Scott said that the atmosphere of the Conference up to date had been tranquil and that the newspapers gave an exaggerated account of the violence of the debates. The tone taken by the Communist Delegation had, in Mr. Scott's words, been "mean rather than harsh".

4. In the way of general comment, Mr. Scott said that Mr. McAuley was making a very good Chairman and was careful to treat the Communist Delegations with courtesy and consideration. The Canadian Red Cross had shown a friendly spirit towards the Canadian Government Delegation. They were not, however, in the habit of asking for advice from our representatives, nor had Dr. Cameron and Mr. Scott yet found it necessary to proffer advice to the Canadian Red Cross.

5. We expect to hear today from Mr. Scott about the progress of the decision in the Conference on the subject of bacteriological warfare. The present intention of Dr. Cameron is to abstain from speaking on this subject unless the Canadian Government is directly attacked.

6. Mr. Scott is anxious to have your instructions as to whether he should invite Mr. Ruegger of the International Committee of the Red Cross to come to Ottawa and see you. You will recall that this was at one time suggested. M. François-Poncet will, of course, be coming but he will be here in his capacity as a senior French civil servant and is coming to address the Canadian Club. His visit, therefore, does not really appear to imply any necessity to invite Mr. Ruegger and Mr. Sandstrom of Sweden, the two other vice-presidents, who are on a basis of equality with M. François-Poncet, unless you wish to invite them.[26]

E. R[EID]

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403. DEA/9456-JY-40

Note de la Direction des Nations unies
pour le sous-secrétaire d'État adjoint aux Affaires extérieures

Memorandum from United Nations Division
to Assistant Under-Secretary of State for External Affairs

CONFIDENTIAL Ottawa, July 31, 1952

INTERNATIONAL RED CROSS CONFERENCE

Mr. Morley Scott telephoned me this morning to report on two matters which had arisen at the Conference:

(a) *Withdrawal of the Chinese Nationalists*

As you will have learned from a number of sources, the Chinese Nationalist Government delegation walked out of the Conference yesterday. The leader of their delegation, Dr. Liu, sent a letter of explanation to Mr. John MacAulay, the Chairman of the Conference. Mr. Scott could not give me the exact text of the letter but said that the first paragraph referred to the regret of the Chinese Nationalists at the Conference decision to allow the Chinese communist delegation to remain. The remaining two pages of the letter to Mr. MacAulay apparently pointed out that, as the Nationalists prophesied, the communists have ruined the Conference by making it more and more political, less and less humanitarian. Mr. Scott was told by Mr. MacAulay that he telephoned the Minister about this last evening and read him the text of the letter.

(b) *Belgian resolution on violations of the Geneva Conventions*

Yesterday the General Commission was offered a resolution by the Belgian delegation (it is not clear whether this is government or Red Cross) and referred it to the legal sub-commission which will consider it Friday afternoon (August 1). The text of the Belgian resolution is attached.[†]

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[26] Note marginale :/Marginal note:
I don't think there is any special reason for inviting them but if they come — or express a desire to come — we could put on a lunch. L.B. P[earson]

2. Last evening, our delegation discussed the Belgian resolution with Messrs. Wilson and Tomlinson of the United Kingdom Government delegation and with Mr. Marshall and some others of the United States Government delegation. Both the United States and United Kingdom delegates stated that they were still opposed to the Minister's suggestion that a continuing commission of enquiry be set up. Mr. Scott gave it as his personal opinion that there was almost no hope now of selling this idea to the others. However, he thought that the Belgian resolution offered an approach which might attain the same object, particularly if its wording were suitably amended. Mr. Scott suggested that the second sentence of the resolution might have inserted "considering also that these allegations have been denied": he thought that the reference to the Chinese Peoples Republic should be deleted and that a paragraph should be inserted saying,

"In view of the fact that the International Committee of the Red Cross is a proper authority for handling such complaints and also in view of the fact that a number of delegations do not think the ICRC is the proper body to deal with these complaints...."

3. In this amended form, it is likely that the Belgian resolution would gain support from other western government delegations. Apparently a meeting is to be held tomorrow afternoon to consider the amended Belgian resolution. This will be attended by the United Kingdom, United States, Canada, Australia, New Zealand, and possibly by representatives of the Belgian, Dutch, Greek, Turkish and some other delegations. Mr. Scott is anxious to know whether there is any objection to holding tomorrow afternoon's meeting in the Canadian delegation's lounge as requested by the United States and United Kingdom delegations: our lounge is the only such room available since the other delegations are not provided with this amenity. However, Mr. Scott thinks that the decision to hold the meeting in the Canadian lounge should be approved by the Department. He is also anxious for guidance on how far our delegation should go in encouraging the presence at the meeting of countries in the non-Commonwealth-United States group.

4. The view of Dr. Cameron and Mr. Scott is that while the Belgian resolution is not the Minister's idea, it is a closer approach to it than they could have expected to achieve in view of the reaction to the suggestion that a continuing commission of enquiry be established. If the Minister agrees, they propose to play their share in securing the adoption of the amended Belgian resolution.

5. Mr. Scott said that he would telephone you either this afternoon or tomorrow morning, depending on when he had further information on the

resolution to impart, particularly the fair text of the amended version in English.[27]

D.R.C. Bedson

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404. DEA/8508-40

Extrait du procès-verbal de la réunion des chefs de direction
Extract from Minutes of Meeting of Heads of Division

CONFIDENTIAL Ottawa, August 18, 1952

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THE INTERNATIONAL RED CROSS

Red Cross Conference

4. *Mr. Scott.* The XVIIIth (quadrennial) International Red Cross Conference closed in Toronto on August 7. It will probably not be regarded as one of the important events of the year, even in Canada. The chief purposes of the Conference in ordinary times are to approve and register the recommendations of the executive bodies of the Red Cross, and to sustain and heighten the morale of the Red Cross movement. These were the purposes for which the great majority of delegates attended and to which they adhered throughout the Conference. Delegates from communist countries attended for different reasons, the chief two of which were (1) to discredit the International Committee of the Red Cross as much as they possibly could and (2) to ventilate the communist charges against the United States respecting bacteriological warfare, prisoners of war and indiscriminate bombing in Korea. The Conference re-affirmed by large majorities its confidence in the International Committee of the Red Cross. Nevertheless perhaps the most striking circumstance at the Conference was the emphasis with which the communists re-affirmed that they would have nor truck nor trade with the ICRC. The communists did not "break up" the Red Cross movement nor did they read themselves out of it but what the future effectiveness of some of the Geneva Conventions may be now that the communists have completely disavowed the ICRC is doubtless a question for serious consideration. The communists certainly succeeded in ventilating their charges against the United States. They were allowed considerable freedom in doing this until the last two or three days of the Conference when the Chair, supported by a good majority, ruled charges against governments out of order. The communists were not allowed to present for the examination by the Conference the documentary evidence which they claimed to have with them. They did display this "evidence", at a press conference. The United States government delegate chose not to reply to the charges, and there was then no need for other government delegates to do so. Various proposals for enquiring into the charges

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[27] La résolution a été adoptée le 6 août 1952.
The resolution was passed on August 6, 1952.

were made and in these, as in other items on the agenda respecting the use of undirected weapons, ratification of the Geneva Conventions, etc., resolutions were passed framed at catching as many favourable votes as possible without having any effect upon the actual course of events. Efforts made by various delegations, including our own, to prevent the Chinese Nationalist delegation leaving the Conference (in protest against the presence of the Chinese Communists) were unsuccessful. The Chinese delegates themselves were loath to walk out and did so as undemonstratively as possible. The Canadian authorities had feared that the press or the public in Toronto might vigorously criticize the Canadian Government or the Canadian Red Cross Society or the Red Cross movement generally for permitting the communist delegations to enter Canada and to spread their propaganda. In fact, there was almost no press or public criticism of this sort. Except during the actual meetings, the Conference proceeded remarkably amicably and the communists joined cheerfully in the commendations voted both to the Government and to the Canadian Red Cross Society for the arrangements made for the amusement or comfort of its delegates.

SECTION C

ACCORD INTERNATIONAL SUR LE BLÉ
INTERNATIONAL WHEAT AGREEMENT

405. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa,] February 5, 1952

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INTERNATIONAL WHEAT AGREEMENT, NEGOTIATIONS FOR RENEWAL

16. *The Minister of Trade and Commerce*, referring to the discussion at the meeting of July 31st, 1951, submitted a memorandum it was proposed to present to the Special Committee of the International Wheat Council. This indicated Canadian support for renewal of the International Wheat Agreement provided price provisions in the new agreement were such that wheat prices would become and could remain equitable in relation to the general price level, that it would facilitate negotiations if member countries made known as soon as possible the quantity commitments they proposed to include in the agreement and if non-member countries were not invited to participate in negotiations until this information was available, and that a Canadian delegation would be sent to the special session of the Council in April when it was proposed that the new agreement be signed.

The memorandum was circulated.

("Canadian memorandum on renewal of the International Wheat Agreement," undated; Cab. Doc. 38-52.)[9]

17. *The Cabinet*, after discussion, approved the recommendations of the Minister of Trade and Commerce and agreed that:

(a) a memorandum, regarding negotiation of a renewal of the International Wheat Agreement, in the terms submitted by the Minister, be communicated to the Special Committee of the International Wheat Council;

(b) the position be taken that it was at the request of Canadian wheat producers that the government was seeking renewal of the agreement with certain modifications; and,

(c) Mr. Howe organize a delegation of some nine persons to attend the Special Session of the Council; the delegation to include four persons to be nominated by the Canadian Federation of Agriculture and four government officials.

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406. DEA/4171-E-40

Note du sous-secrétaire d'État aux Affaires extérieures pour le secrétaire d'État aux Affaires extérieures

Memorandum from Under-Secretary of State for External Affairs to Secretary of State for External Affairs

SECRET Ottawa, March 29, 1952

You will recall that in February, Cabinet approved a memorandum on the Canadian attitude towards renewal of the Wheat Agreement. Plumptre met yesterday with Mitchell Sharp, who is to lead the Canadian Delegation to the Special Session of the Council which opens in London on April 15th. I think you will be interested in some of the more recent developments.

2. There have already been two meetings in Washington with the United States officials concerned and at the last McCarthy (Australia) was also present. The three exporters are all interested in seeing the Agreement renewed but, as one might expect, with a higher ceiling price. The United States is especially interested in keeping down the subsidy payments to its wheat growers and will campaign for a ceiling of $2.25 a bushel. Australia would be willing to accept a somewhat lower figure, but not less than $2.10. The Western farmers and other interests have been sounded and it seems likely that we could accept a ceiling somewhat below $2.25 (although the nominal demands of the farmers' organizations are a good deal higher). We would not wish the spread between the ceiling and the floor to exceed 50¢. The United States is prepared to renew the Agreement for a four year period, but considers that there should be an opportunity to review Agreement prices after the second year. Australia is apparently prepared to renew for two or three years at least and we are prepared to enter a four year Agreement. Apart from whatever ceiling may eventually be agreed, the Canadian Delegation will try to

ensure that the range of prices is "so devised that wheat prices can remain equitable in respect of other prices."

3. The indications are that neither the U.S.S.R. nor Argentina is interested in coming into the Agreement. If this turns out to be the case, one of the major difficulties which might have been encountered by the exporters will not arise.

4. The Canadian Delegation will include, amongst the advisers drawn from the Western grain interests, a nominee of the Communist led[28] Farmers' Union. It was apparently considered better to have a Farmers' representative in the Delegation than to have the Union sniping from outside. The representative in question has been cleared by the R.C.M.P. A press release giving the full list of delegates and advisers from Canada may be released today.

5. The intentions of the large importers on renewal are not known, but it is understood that the United Kingdom position on many of the main points likely to arise in the negotiations has not been considered either by Ministers or senior civil servants. This being the case, Sharp expects that the April meeting will not be conclusive, but will adjourn after the main issues have been identified and differences between exporters and importers narrowed. Considerable progress might, however, be made on many of the subsidiary questions such as "carrying charges" which will have to be regulated in the new Agreement.

6. In the knowledge that the Western farmers are behind the Agreement, that the U.S.S.R. and Argentina are apparently not interested in becoming members and that the United States Delegation will make the running on the higher ceiling price, the position of the Canadian Delegation in the forthcoming negotiations should be a good deal easier than it might otherwise have been. From what Sharp said, it would appear that we are informally committed to support the United States on the $2.25 ceiling, at least during the opening stages of the negotiations. We have, I understand, undertaken not to withdraw this support without prior consultation with the United States Delegation.

7. The price proposals of the United States are regarded as particularly confidential at this stage.

A.D.P. H[EENEY]

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[28] Note marginale :/Marginal note:
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407. DEA/4171-E-40

Le secrétaire d'État aux Affaires extérieures
au haut-commissaire au Royaume-Uni

Secretary of State for External Affairs
to High Commissioner in United Kingdom

DESPATCH No. I.C. 828 Ottawa, April 3, 1952

CANADIAN DELEGATION TO THE INTERNATIONAL WHEAT COUNCIL

Cabinet has approved the following Delegation to the Special Session of the International Wheat Council commencing in London on April 17th:

Delegate:	M.W. Sharp, Associate Deputy Minister of Trade and Commerce
Alternate Delegates:	W.C. McNamara, Assistant Chief Commissioner of the Canadian Wheat Board; C.F. Wilson, Director of the Wheat and Grain Division, Department of Trade and Commerce
Advisers:	J.E. Brownlee, President, United Grain Growers Limited; Wes. Coates, Director, Saskatchewan Farmers' Union; W.J. Parker, President, Manitoba Wheat Pool; Ben Plumer, Chairman, Alberta Wheat Pool; J.H. Wesson, President, Saskatchewan Wheat Pool; R.V. Biddulph, European Commissioner, Canadian Wheat Board; J.B. Lawrie, Executive Officer, Canadian Wheat Board, London

In addition to the official Delegation, the following will be attending as observers:

H.L. Griffin, United Grain Growers Ltd.;

M.W. Porter, Alberta Wheat Pool;
George Robertson, Saskatchewan Wheat Pool

In accordance with past practice, the Department of Trade and Commerce has requested that you name an officer of your staff as Adviser to the Delegation. It would be appreciated if this could be arranged and the Chairman of the International Wheat Council subsequently notified of the full composition of the Canadian Delegation to the above-mentioned meeting.

The name of the officer designated as Adviser should be communicated to us as soon as possible for purposes of record.

H.O. MORAN
for Secretary of State
for External Affairs

408. DEA/4171-E-40

Le haut-commissaire au Royaume-Uni
au secrétaire d'État aux Affaires extérieures

High Commissioner in United Kingdom
to Secretary of State for External Affairs

TELEGRAM 925 London, April 7, 1952

RESTRICTED

CANADIAN DELEGATION TO THE INTERNATIONAL WHEAT COUNCIL

Reference: Your despatch No. I.C. 828 of April 4th.

As requested, I have arranged for Couillard to act as adviser to the delegation.

We are informing the chairman of IWC of the full composition of the Canadian delegation.

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409. DEA/4171-E-40

Le haut-commissaire au Royaume-Uni
au secrétaire d'État aux Affaires extérieures

High Commissioner in United Kingdom
to Secretary of State for External Affairs

TELEGRAM 990 London, April 17, 1952

CONFIDENTIAL

INTERNATIONAL WHEAT AGREEMENT — PRELIMINARY TALKS

Following for Mr. C.D. Howe from Sharp. Suggest repeat to McIvor,[29] Begins: Les Wheeler called the Australians and ourselves to an informal meeting yesterday afternoon to exchange views on the main aspects of the new agreement and the tactics to be followed by the group as exporters.

2. He led off by saying that the United States position on the three main points involved, namely prices, quantities, and duration, had been discussed with the Secretary of Agriculture and members of Congress. (Incidentally, Congressman Horan is a member of the United States delegation; we understand that others will replace him later.)

3. Wheeler said that the form of the agreement remained acceptable and that they were satisfied with its method of operation. There was need, however, for greater flexibility and a substantial increase in prices.

4. His instructions, which he will announce in his opening statement in the Council probably today, are to obtain a fixed floor of $1.90 and a ceiling of $2.50 — both exclusive of carrying charges. He had no specific reason for the

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[29] G.H. McIvor, commissaire en chef de la Commission canadienne du blé.
G.H. McIvor, Chief Commissioner, Canadian Wheat Board.

$1.90 figure, but explained that the ceiling of $2.50 was directly related to the present United States parity system: he explained that a two-thirds majority in the Senate would not be obtained if a drain on the United States treasury of half-a-billion or so dollars were again to result from a new agreement.

5. With respect to quantities, the United States are willing to maintain their present quota of 255. As to duration, a four-year agreement seemed to be a reasonable compromise. To obtain greater flexibility, however, they will explore agreement on a price-adjustment formula.

6. McCarthy for Australia said that they also were satisfied with the form of the agreement as it now stands and think that a duration of four years is desirable. As to quantity, the matter was under discussion in Canberra — there was some feeling that their quota of 88 might be too high. As for prices, their position was not yet clear, but they hold strongly to the view that the agreement has worked to their disadvantage.

7. We limited ourselves at this stage to agreeing in principle with the United States general position. We did not commit ourselves at this time to support the United States proposed prices. We said that we would want to be careful about agreeing to maintain our present quota of 235 before knowing what prices might finally be agreed. As to duration, this too would depend upon price level and any possible means of achieving flexibility. At a satisfactory price, we were thinking in terms of four years.

8. As a result of some discussion on tactics, it was agreed that, in view of the present position of the three delegations, the Australians and ourselves would speak first, indicating necessity for substantial increase in prices, but leaving it to the United States to mention their specific figures. By such tactics, we avoid identifying ourselves with United States levels. This approach has the unanimous concurrence of our delegation pending further clarification of position. Ends.

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410. DEA/4171-E-40

Extrait du télégramme du haut-commissaire au Royaume-Uni au secrétaire d'État aux Affaires extérieures

Extract from Telegram from High Commissioner in United Kingdom to Secretary of State for External Affairs

TELEGRAM 1064 London, April 25, 1952

CONFIDENTIAL

Following for Rt. Hon. C.D. Howe from Sharp, suggest repeat to McIvor, Begins: First meeting of exporters was held yesterday afternoon, attended by United States, Australia, France and Canada, to discuss outstanding issues which had been raised in full conference and in committees.

2. Discussion centred around question of prices and ancillary conditions. All delegations have instructions or views of farm organizations that flexibility should be introduced into new agreement. Objections were raised, however, to

all proposals mentioned. Serious doubt was expressed whether priced index of commodities could be devised for adjusting maximum and minimum wheat prices from time to time, which would be acceptable to all countries. Similarly, serious difficulties were encountered in applying Wilson's formula for basing maximum and minimum prices upon the level of actual prices during the preceding year. In view of desire of all exporters to explore flexibility devices thoroughly, it was agreed to leave the matter open for further discussion.

3. McNamara reported that he was hopeful that proposals for changing basing point from Fort William to f.o.b. seaboard and for introducing fixed grade differentials would not be found feasible and would be dropped.

4. Exporters agreed that discussions of price levels should be ex-carrying charges. However, carrying charges may have to be defined more clearly and perhaps be subject to limits.

5. Wheeler, for United States, then opened discussion of price levels and asked Canada and Australia to state their positions. We said that we could not return home and say we had refused to sign an agreement because we could not obtain a minimum of $1.90 and a maximum of $2.50. We therefore could not give them support at these prices. Australia took a similar line. After prolonged discussion the United States asked Canada and Australia to name a price at which they could take a stand.

6. At subsequent meeting of Canadian delegation, attended by all farm advisers, it was agreed that I should attempt to determine from Wheeler whether the United States delegation was prepared to bargain or whether they are merely stating their position for domestic political reasons and would be content to break off negotiations. If United States delegation is not prepared to bargain, we are doubtful we should state a price — because, if the conference broke up without agreement, this price which might have been stated by us for bargaining purposes would subsequently be embarrassing. On the other hand, if the United States is prepared to bargain and to attempt to reach agreement with the importers, we can afford, as a bargaining matter, to state a price at this time a good deal higher than we would be prepared to take, in order to maintain a common front with the United States, who must be prepared to sign — otherwise there will be no world wheat agreement.

7. All importers are reported to be taking the position that they will make no response to prices as high as those indicated by the United States and we are inclined to believe that this is so. Progress will be made only if the importers can be split by a price offer from the exporters that will persuade some of them at least to make counter-proposals.

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411. DEA/4171-E-40

Le haut-commissaire au Royaume-Uni
au secrétaire d'État aux Affaires extérieures

High Commissioner in United Kingdom
to Secretary of State for External Affairs

TELEGRAM 1076 London, April 26,1952

CONFIDENTIAL. IMMEDIATE.

Following for Rt. Honourable C.D. Howe from Sharp, suggest repeat to McIvor, Begins: Canadian Delegation agreed that I should state Canadian position to Wheeler as follows:

1. Canada would favour a common front amongst exporting countries on the basis of minimum of $1.75 and maximum of $2.25 both ex carrying charges, and would be prepared to take a firm bargaining position at these levels during negotiations. Wheeler to be free to transmit these views to Washington. Canada will not take independent action until American reaction has been received and considered.

2. I transmitted these views to Wheeler today and he said that they did not come as a surprise. He was not optimistic, however, that the United States Administration would go along on a common front at these levels.

3. McCarthy for Australia was present during discussion with Wheeler and he agreed with Canadian position. Ends.

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412. DEA/4171-E-40

Le haut-commissaire au Royaume-Uni
au secrétaire d'État aux Affaires extérieures

High Commissioner in United Kingdom
to Secretary of State for External Affairs

TELEGRAM 1115 London, May 1, 1952

CONFIDENTIAL. MOST IMMEDIATE.

Following for Rt. Hon. C.D. Howe, from Sharp. Suggest repeat to McIvor, Begins: United States delegation has now received instructions as follows:

1. Maintain present price proposal of $1.90-$2.50 until there is a reasonable counter-proposal from importers.

2. Try to persuade other exporters to support United States position.

3. Continue to try to interest importers in flexible price formula.

4. Explain that if United States has to accept lower prices then quota must be reduced.

During course of explanation Wheeler expressed his personal opinion that, in view of impending elections, Congressional advisers are anxious to avoid withdrawing from present position unless they can demonstrate that importers are really willing to pay higher prices. Wheeler intends to make statement Friday three p.m., London time.

Canadian delegation has considered position and with unanimous agreement I intend to take following lines:

Canada has already indicated that it believes a substantial increase in prices is justified but has come to the conference prepared to negotiate. However, until importers indicate that they recognize facts of present situation and are willing to begin bargaining at prices higher than in the present agreement, and thus enable United States to participate in such bargaining, there is no point in Canada putting forward specific price proposals at the present time.

The Canadian delegation has doubts about possibility of reaching price agreement at present session because of position taken by United States and, as previously reported, by Harwood of the United Kingdom. We believe it would be a mistake to put forward any specific prices at this stage, which would become basis for bargaining at later session in the (group corrupt). On the other hand, it is important to indicate clearly that we are not holding out for the United States price range.

At meeting with Wheeler, McCarthy of Australia expressed views similar to ours, but what he will say at open meeting we do not yet know.

Unless we hear to the contrary, I shall speak along these lines. It may be necessary to speak immediately following Wheeler. Would, therefore, appreciate any comments by Friday morning London time. Ends.

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413. DEA/4171-E-40

Le secrétaire d'État aux Affaires extérieures
au haut-commissaire au Royaume-Uni

Secretary of State for External Affairs
to High Commissioner in United Kingdom

TELEGRAM 933 Ottawa, May 1, 1952

CONFIDENTIAL. IMMEDIATE

Following for M. W. Sharp from C.D. Howe, Begins: I have your message No. 1115 and agree with the statement you intend to make following Wheeler.

As you know, Canadian producers will be disturbed by failure to make progress with negotiation. In my opinion, it would be helpful if you were to hint that Canadian position on prices is considerably more modest than that proposed by Wheeler. You will of course use your own judgment as to how far we should go in this direction. Lowering U.S. quota would not be disturbing to Canada as I see it . Ends.

414. DEA/4171-E-40

Le haut-commissaire au Royaume-Uni
au secrétaire d'État aux Affaires extérieures

High Commissioner in United Kingdom
to Secretary of State for External Affairs

TELEGRAM 1122 London, May 3, 1952

CONFIDENTIAL. IMMEDIATE.

Following for Rt. Hon. C.D. Howe from Sharp. Suggest repeat to McIvor, Begins:

1. As expected, United States stated position along lines previous cable, followed by United Kingdom, Canada, Benelux and Australia. United Kingdom expressed opinion that price discussions should be deferred until later and that present conference devote itself to ancillary matters.

2. I spoke as indicated in previous telegram, strongly urging that negotiations be continued and brought to conclusion now. Copy of my notes sent by diplomatic bag yesterday.

3. At conclusion of five speeches mentioned meeting was adjourned to permit importers to consider new position created by United States statement. Later in the day importers requested adjournment until Tuesday morning, which would indicate some difference of opinion among importers. United Kingdom attitude may prevail but we are still hopeful. Ends.

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415. DEA/4171-E-40

Le haut-commissaire au Royaume-Uni
au secrétaire d'État aux Affaires extérieures

High Commissioner in United Kingdom
to Secretary of State for External Affairs

TELEGRAM 1137 London, May 6, 1952

CONFIDENTIAL. IMMEDIATE.

Following for Rt. Hon. C.D. Howe from Sharp. Suggest repeat to McIvor, Begins: Further our telegram No. 1122 of 3 May. Following is statement made by Van Essche (Belgium) this morning on behalf of the importer countries. Meeting then adjourned till tomorrow morning when exporters will reply probably in a joint statement to be prepared later today.

"I have been entrusted with the honour of making the following statement which represents the unanimous views of the importer members.

'1. On Friday last, 2 May, statements were made by the leaders of the delegations of the three principal exporter members of the council of which the following is a summary:

(a) The United States delegate stated that he was instructed by his government

(i) To maintain the original United States proposal until a reasonable counter offer was made;

(ii) To continue to attempt to enlist support for the principle of a flexible formula;

(iii) To state that any lower price than that originally proposed by the United States would necessarily cause the United States to re-examine its position as to the quantity of wheat it could guarantee to supply under an extended wheat agreement:

(b) The Canadian delegate repeated his government's desire for substantially higher prices but refrained from subscribing without reserve to the United States price proposals. He enjoined the importers to consider making an approach on the minimum of a new price range.

(c) The Australian delegate did not support the United States price proposals but repeated his government's desire for higher prices. He reproved the importers for what he alleged as a too casual dismissal of the conception of flexible prices and for having shown little eagerness to advance to realistic price discussions.

"2. In the opinion of the importer members of the council these statements, which are no more than a reiteration of those made on the opening day of this session, show insufficient regard for the views and proposals of the importers on the many important matters which have been raised in the course of this session.

"3. The importer members of the council present at this 8th session have considered the situation thus created and make the following unanimous declaration of their position.

(a) They are ready, as they have already indicated, to co-operate fully with the exporters in the study of method (group corrupt) prices would be adjusted by an automatic process to give flexibility. Such a system has certain potential advantages. But to command universal support such a system must be intelligible, workable, and defensible and the importers have so far been unable to suggest a practical formula which would satisfy these essential requirements, notwithstanding the valuable contribution made by F.A.O. This is true also of the exporters to whom the problem was delegated in the first instance because they have so far failed to submit any proposals for consideration.

It must be apparent however to the exporters that, pending an agreed conclusion on the adoption or rejection of this matter — which the importers agree with the exporters is worthy of serious study — there can be no detailed discussion on prices. The adoption of a flexible price mechanism would inevitably affect the whole character of the discussion the price range in any renewed agreement.

(b) The importers maintain their conviction that there can be no serious consideration of the price range itself until agreement has been reached on the terms and conditions in any new agreement affecting that price range. Discussion on prices would be unrealistic until it was known, for example, whether the prices were to be expressed upon f.o.b. or in store basis and what they were to include by way of charges and costs.

(c) On the question of price the importers view with some surprise, if not concern, the attitude which regards only proposals made by the exporters as serious and affects to look upon the counter proposals of the importers as unworthy of serious consideration. The importers affirm that their counter bid at the maximum is the equivalent of $1.80 in store Fort William/Port Arthur inclusive of carrying charges and other costs, with a spread similar to that at present existing.

The importers consider that this offer is favourable to the exporters bearing in mind the long term commitment necessarily involved and the valuable insurance to the producer inherent in an agreement of this nature. On the other hand, prices of this order impose a considerable strain upon the internal economies and balance of payments position of many importing countries.

(d) The importers note that in certain circumstances, not precisely defined, the exporters might feel bound to reduce the quantities which they would be prepared to guarantee under a renewed agreement. This possibility affords an additional ground for inviting the participation in a renewed agreement of additional exporting countries. The importers intend therefore to invite the chairman to make time available, at the earliest opportunity, for the council to consider the most appropriate means of giving effect to this suggestion.

"4. With the object of advancing the business of this session the importers propose as the next steps:

(a) That the Prices and Quantities Committee be instructed to resume at once their study of the question of a flexible price system and to make recommendations to the council;

(b) That a determined effort be made by the council to reach agreement on the terms and conditions affecting price;

(c) That, independently of these matters, the chairman should make time available at the earliest opportunity for the council to consider the most appropriate means by which new exporters (and those importing countries which have already expressed an interest) may be associated with the discussion on the terms of a renewed agreement.' " Ends.

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416. DEA/4171-E-40

Le haut-commissaire par intérim au Royaume-Uni
au secrétaire d'État aux Affaires extérieures

Acting High Commissioner in United Kingdom
to Secretary of State for External Affairs

TELEGRAM 1146 London, May 7, 1952

CONFIDENTIAL

Following for Right Honourable C.D. Howe from Sharp, Begins: Suggest repeat to McIvor.

Following is statement I made this morning. Australia associated itself with our prices proposal. Shall report reactions as soon as they become clearer.

"My fellow delegates from the United States, Australia, and France have accorded me the honour of speaking first among the exporting countries in reply to the importers' statement submitted by Mr. Van Essche yesterday. Let me make it clear at the outset however, that I am not submitting a joint statement on their behalf. I am speaking for Canada, although I believe that most, if not all, of what I have to say substantially represents the views of all of us.

The Canadian delegation has received with the keenest regret the statement submitted yesterday by Mr. Van Essche, on behalf of the importers. We had hoped that it would have indicated the direction in which real progress could be made and we have studied it carefully with that in view. However, I have to say that our efforts have not been rewarded.

When the exporters spoke on Friday last they invited the importing countries to come forward with their ideas on prices. I shall not reiterate my own words, but I should like to recall what Mr. McCarthy said: 'Australia takes the view that importers should indicate what they have in their minds, whether they can contemplate the increase in prices and approximately, at least, what they propose.'

What was the response to that invitation? Let me refer you to paragraph (b) and (c) of section 3 of the importers' statement (our telegram No. 1137)

(b) The importers .... costs

(c) On the question......... countries.

The Canadian delegation has given these paragraphs the most careful study, for we take it that they represent the considered views of the importers as a group. You may be surprised to learn that we took some comfort from what I have just read. It had been contended, from time to time, by several of the importers, that before discussing price levels it was necessary to clear up ancillary matters, such as basing points, carrying charges and so forth. This idea, you will note, is emphasized again in paragraph (b), which I have just read.

But in the following paragraph the importers do show that it is possible, as we have always contended, to discuss prices by making certain assumptions about these ancillary matters. I hope that no one will think that in saying this I am merely trying to score a debating point. This is a matter of great concern to the Canadian delegation and I believe that what is said in this importers' statement does enable us to move forward to a discussion of the level of prices without settling beforehand all the matters of detail that are inevitably bound up in the final definition of agreed prices.

The second point which emerges from a study of these paragraphs is that what the importers are proposing is that the level of maximum prices should be lower in a new agreement than in the present agreement. This is so because the $1.80 is defined to include carrying charges, whereas under the present agreement importers are buying on a basis of $1.80 plus carrying charges.

As to the minimum, the wording seems to us to be ambiguous and the only interpretation I can put on the statement is that there is to be no change from the present agreement. This cursory treatment of the minimum is a matter of particular regret to the Canadian delegation in view of the importance which we attach to this matter and which I am pleased to see is noted at the opening of the statement itself.

What then was the response of the importers to the invitation to come forward with a proposal? In brief, first, a statement that prices could not be seriously discussed until ancillary matters had been cleared out of the way, and then an offer of prices lower than in the present agreement.

I say quite bluntly that if this is the attitude of the importing countries we might as well go home and the sooner the better. I find it difficult to believe, however, that this is the final word or that all importing countries are content that this is an adequate expression of their views. Certainly, it is difficult for us to reconcile this attitude with the desire of many importing countries for larger quotas.

How, then, do we come to grips with the questions of prices and quantities? As I have said, the reaction of the importers to the invitation of the exporters to show a willingness to negotiate on a reasonable price level has been most disappointing. I am tempted to conclude that some of them are not prepared to negotiate at all and we have to remember that at the opening session the delegate of the United Kingdom expressed doubts as to whether a wheat agreement is a good thing, even before prices had been mentioned.

It may be, however, that the fact that Canada has not put forward a price proposal stands in the way of progress. When I spoke last Friday I doubted whether, under the circumstances then prevailing, it would be useful for Canada to name a price range, since the United States had to be satisfied if there was to be an agreement at all.

We have now reconsidered. We do not wish there to be any misunderstanding of our position. Neither do we wish to be open to the charge that the importers were not prepared to discuss prices on a realistic basis because Canada had refused to make a definite proposal.

We, therefore, propose a price range of $1.75 minimum and $2.25 maximum, basis in store Fort William/Port Arthur, both exclusive of carrying charges, for a period of four years. If anyone can suggest a feasible method of introducing some flexibility into that range during the currency of the new agreement we would be prepared to consider (it?). But it is a firm proposal and not contingent on any such flexibility arrangement.

Similarly, if it were agreed to shift the basing point — with which we are not in agreement — it would be necessary to make consequential adjustments in prices. Again let me reiterate that, in our view, this proposal can be discussed on its merits and that it is not necessary to settle such ancillary matters in advance.

I can only hope that this statement of our position will help to convince our friends in the importing countries, if any of them had doubts that we are ready to negotiate now, and that it may also elicit the kind of response from the importers which will enable the United States to come down to a similar level." Ends.

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417. DEA/4171-E-40

Le haut-commissaire par intérim au Royaume-Uni
au secrétaire d'État aux Affaires extérieures

Acting High Commissioner in United Kingdom
to Secretary of State for External Affairs

TELEGRAM 1155 London, May 8, 1952

CONFIDENTIAL

WHEAT AGREEMENT

Following for the Rt. Hon. C.D. Howe from Sharp. Begins: Suggest repeat to McIvor.

Council will decide today or tomorrow to adjourn until later 1952.

Executive Committee to continue discussions of ancillary matters such as carrying charges, basing points, flexibility, but not price levels.

United States will suggest next meeting (late 1952) in Washington. We have reserved our position on this point. Ends.

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418. DEA/4171-E-40

Extrait du procès-verbal de la réunion du Comité interministériel
sur la politique du commerce extérieur

Extract from Minutes of Meeting of
Interdepartmental Committee on External Trade Policy

CONFIDENTIAL Ottawa, May 12, 1952

. . .

VIII International Wheat Agreement; collapse of discussions

33. *The Deputy Minister of Trade and Commerce* said word had been received that the discussions for the extension of the Wheat Agreement had collapsed. The United States had held out for an increase in the price to $2.50. The Canadian representatives had finally indicated a price of $2.25 in order to make it clear that they were prepared to negotiate. The importing countries were not prepared to go above $1.80. It had become clear that there was no possibility of reaching an agreement. The importers had suggested that it might be possible to discuss certain other matters, such as basing points, but the exporting countries had taken the position that there was no basis for agreement on other matters unless the price question could be settled. The present agreement would run until the end of July 1953. There was some

possibility that another meeting might be attempted in Washington after the U.S. election.

34. *The Committee* noted the report of the Deputy Minister of Trade and Commerce concerning the collapse of discussions for the extension of the International Wheat Agreement.

R.G. ROBERTSON

CHAPITRE V/CHAPTER V

ORGANISATION DU TRAITÉ DE L'ATLANTIQUE NORD NORTH ATLANTIC TREATY ORGANIZATION

PREMIÈRE PARTIE/PART 1

COMITÉ CHARGÉ D'ÉTUDIER LE RENFORCEMENT DE LA COMMUNAUTÉ NORD-ATLANTIQUE
NORTH ATLANTIC COMMUNITY COMMITTEE

419. DEA/50030-AK-40

Le haut-commissaire au Royaume-Uni
au sous-secrétaire d'État aux Affaires extérieures

High Commissioner in United Kingdom
to Under-Secretary of State for External Affairs

TELEGRAM 285 London, January 26, 1952

SECRET

COMMITTEE OF FIVE[1]

It is now possible to foresee the general outlines of the report which the Working Group can have ready for ministerial consideration in time for the Lisbon Conference.

2. The report will contain a brief introduction emphasizing that in the short interval which has elapsed since the Rome session it has only been practicable for the committee to register practical progress in two limited fields. The introduction will also stress the fact that the problems to which the committee is addressing itself are essentially long-term in character and that spectacular achievements are not to be expected. At the same time, attention will be drawn to three positive steps which have been taken since the Rome meeting, which represent substantial progress in strengthening the institutions of the organization as a whole and establishing closer relationships between the members of NATO: (1) the proposals for the reorganization of the civilian

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[1] Il s'agissait d'un Comité ministériel composé de représentants de la Belgique, du Canada, de l'Italie, de la Norvège et des Pays-Bas ; ce Comité créé par le Conseil de l'Atlantique Nord lors de sa réunion à Ottawa du 15 au 20 septembre 1951, était chargé «d'étudier le renforcement de la communauté nord-atlantique et, en particulier, la mise en application de l'article II du Traité de l'Atlantique Nord.»

This was a ministerial committee composed of representatives of Belgium, Canada, Italy, the Netherlands and Norway established by the North Atlantic Council at its meeting in Ottawa, September 15-20, 1951, "to consider the further strengthening of the North Atlantic Community and especially the implementation of Article II of the North Atlantic Treaty."

agencies of NATO; (2) the TCC exercise;[2] and (3) the progress made in the establishment of the EDC within the broader NATO framework. It will conclude by indicating the limited and specific areas where proposals for action can now be made, and will point out that NATO action in the whole non-military field must take into account the existence of other organizations, avoid duplication of their work and seek to deal with problems as they emerge which are not being dealt with by other agencies and which appear to be susceptible of solution on a NATO basis.

3. The specific sections of the Graft report may be briefly summarized as follows:

Political consultation

4. The report will stress the importance which the committee attaches to the provisions of Section A of the interim report and will say that this section does not require elaboration but rather practical application. The attention of the Council will be drawn to the continuing need for effective consultation at an early stage on current political questions of common concern.

"This is essential in order that national policies may be developed and action taken on the basis of an awareness of the attitudes and interests of all the members of NATO.

"The proposals for the reorganization and concentration of the civilian agencies of NATO which the Council will be considering at Lisbon should result in the development of more rapid and effective procedures for arriving at joint decisions in the whole field of NATO effort and activity. In the field of political consultation it is the hope of the committee that these procedures will be utilized by member governments to the fullest extent for frequent exchanges of information and views on urgent and important issues. Such procedures will be effective to the extent to which North Atlantic Treaty Governments are prepared to grant their representatives the necessary measure of authority and discretion to participate fully in such discussion."

Possible relations between Parliamentary representatives and NATO

5. The Working Group has no further proposals to make in this field prior to the Lisbon meeting. Your attention is drawn to the fact, however, that in the United States proposals (Document DD(52)17) there is the following reference in Part IV.

"Some means may eventually have to be found for greater association of parliamentarians with NATO, in view of its dependence upon legislatures for funds. This problem will probably have to be handled nationally, possibly by including members of legislatures in delegations to general meetings of the Council."

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[2] Voir le document 425./See Document 425.

This section has not yet been discussed in the Deputies in connection with reorganization.

Economic and financial matters

6. We have received from Paris text of the draft FEB report as prepared by the FEB Working Group, but have not yet received a final text. The draft is essentially negative in character, its principal positive feature being the statement that it is the view of the board that when dealing with these problems outside NATO member governments should bear in mind that any specific solution evolved will have an important influence both on defence effort and on the longer-term development of the Atlantic Community. We understand that the final report is only slightly more positive than the draft text. In any event, the FEB comments will constitute the principal section of the Working Group's report on economic and financial matters.

Movement of labour

7. My telegram No. 269 of January 25th[1] and our previous exchanges will have summarized the progress made in this field, which, in the view of the Working Group provides one of the few areas in which a specific line of action at the Lisbon meeting can be foreseen.

Cooperation in the social field

8. In the light of a report which the Norwegian representative had obtained of the work in the social field now being undertaken under the aegis of the Council of Europe, and further discussion in the group itself, general agreement has now been reached that grounds do not exist at this time for the convening of an expert conference, as proposed in paragraph 31 of the interim report. The primary reason for this is that social cooperation lends itself particularly to regional collaboration and that the position and problems in North America and Europe are so different that constructive work in this field on a NATO basis does not appear to be practicable at this time.

Collaboration in the fields of (a) culture, (b) public information

9. (a) In the cultural field, on the basis of a carefully prepared report from a sub-committee which met under the chairmanship of Van der Bruggen, of Belgium, the Working Group considers that progress can be made by convening a meeting of cultural experts. Progress might be made on four projects: (1) possible educational exchanges between university students of NAT countries; (2) encouragement of travel by groups of young people; (3) establishment of service leave centres in NAT countries for educational purposes; and (4) seminars of teachers from NAT countries. Our telegram No. 157 of January 18th refers.

(b) In the public information field, considerable difficulty has arisen in making progress. It will be recalled that prior to the Rome meeting the Working Group had been informed by the NATO Information Service that NATIS was planning to prepare a comprehensive programme for submission to governments. The interim report approved by the Council contented itself with expressing the view that before any programme, long-term or immediate, went forward to NAT Governments for consideration, it should be carefully examined in the Council Deputies. "NATIS" has now produced a Document (AC/10-D/7 of January 22nd), outlining possible projects for an "Atlantic Community programme" but unfortunately linking its presentation with a great deal of special pleading for staff and budget, which was clearly premature and out of place. The document, as drafted, placed undue emphasis on the over-all role of "NATIS" in this field, and did not really meet the committee's requirements for a list of concrete projects which might then be submitted to national governments for comments, and for an indication of the extent to which action on such projects might be considered advisable and whether any action should be taken at this stage to recommend a meeting of experts in this field, but the general feeling was that the projects as drafted by NATIS required a good deal of further study and preparation before such a meeting would be useful. It was also felt that NATIS should clarify its objectives and prepare a more limited programme directed towards: (1) the fuller flow of information on the NATO alliance and national efforts; (2) the creation of a sense of "Atlantic Community"; and (3) the strengthening of mutual understanding between NAT countries and the stimulation of an increased consciousness of their common ties and cultural associations.

10. The "NATIS" draft paper also contained the recommendation that "the Article 2 Committee should be permanently established as an advisory committee to the Information Services for Atlantic Community matters." It was the view of the committee that it would be premature, in view of the general reorganization now in progress, to make any specific recommendations as to the responsibilities of the Committee of Five in this field.

11. The Working Group at its next meeting, will be considering further what sections should be included in the report as a whole. It is probable that the report in the information field will indicate that the Information Service should prepare for consideration of the Council concrete proposals to provide a basis for meeting the objective outlined in paragraph 9(b) above.

12. The foregoing summary will make it clear that the Working Group report will include proposals for specific action in only two fields — movement of labour and in certain limited, but it is hoped practical, aspects of cultural relations.

13. The Working Group is fully conscious of the fact that a good deal of interest and attention has been devoted to the work of the Committee of Five, and that such meagre progress as we have been able to make may create a sense of disillusionment. One thing our experience has shown is that in most of these fields with which we have been dealing it is impossible to make real progress without placing the consideration of the problems on a twelve-power basis. The Netherlands Deputy appears to be inclined to the view that the Committee of Five has done virtually all it can in this general field, and that it might be wound up after the Lisbon meeting. Clearly the future of the committee is a matter for ministers. My own view is that if the committee continues after Lisbon it should not be placed in the position of having to make

a detailed report to the Council at regular intervals, but should only examine problems which may emerge from time to time bearing on the general goal of strengthening the North Atlantic Community and report when it has had time to consider them.

14. I recognize that just as we have found ourselves here dealing with problems of more immediate priority, i.e., TCC exercise, EDC-NATO relationships and the rest, the Department has been similarly placed. This perhaps explains the fact that since the Rome meeting we have in fact received very little in the way of guidance and direction as to departmental thinking in this field.

15. Your comments on the direction which the work is taking, and on the lines of the report as I have sketched them, would be greatly appreciated.

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420. DEA/50030-AK-40

Le haut-commissaire au Royaume-Uni
au sous-secrétaire d'État aux Affaires extérieures

High Commissioner in United Kingdom
to Under-Secretary of State for External Affairs

TELEGRAM 448 London, February 11, 1952

CONFIDENTIAL. IMPORTANT.

NORTH ATLANTIC COMMUNITY COMMITTEE

Addressed to Ottawa as No. 448 repeated to Paris as No. 42.

Following from the Minister, Begins: Lange, Stikker, Van Zeeland, Rossi Longhi[3] representing Pella,[4] and Achilles[5] came to an informal meeting on Saturday morning when we had a very useful and very frank discussion about the draft report of the Working Group on the North Atlantic Community (document (AC/10-D)6 2nd revise) and also about the future of the North Atlantic Community Committee itself. There was general agreement that the report was a negative and rather discouraging document. Stikker for one said that he could not accept it if it were presented at Lisbon in its present form. More particularly he was afraid that the contents would inevitably leak out to the press and that the whole exercise might become the subject of unfavourable and disparaging public comment.

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[3] Alberto Rossi Longhi, représentant permanent de l'Italie auprès du Conseil de l'Atlantique Nord.
Alberto Rossi Longhi, Permanent Representative of Italy on North Atlantic Council.

[4] Giuseppe Pella, ministre du Budget de l'Italie (-février).
Giuseppe Pella, Minister of the Budget of Italy (-February).

[5] Theodore C. Achilles, représentant adjoint par intérim des États-Unis auprès du Conseil de l'Atlantique Nord.
Theodore C. Achilles, Vice Deputy Representative of the United States on North Atlantic Council.

2. The criticism concentrated not so much on what was in the report as on what had been left out. It was emphasized most strongly that the report took little account of a number of immediate economic problems which had to be solved if the North Atlantic Community was to become an attainable objective. Among others these problems included European payments, the liberalization of trade, production and productivity and internal financial stability, all of which had so far come primarily within the mandate of OEEC. As a matter of urgency they should now be given careful consideration on a NATO basis as well, but the ramifications were so great that real progress could be made on the NATO side only by the collective effort of all countries at this stage. It was not sufficient to delegate the responsibilities to a committee of five members.

3. It was recognized that some NATO members also had substantial trading interests with countries such as Sweden and Switzerland who were members of OEEC but not NATO. The logical compromise was for NATO and OEEC to come to some arrangement for cooperation — without duplication — in economic matters. This might create difficulties in the case of Switzerland and to a lesser extent Sweden who, jealous of their "neutral" position, might object to associating themselves formally with NATO planning even in its non-military aspects. To help overcome the dilemma with which these two countries might be faced, it was considered that the initiative in proposing joint action must come from OEEC and be quickly seized by NATO. It is indicative of the importance which Belgium attaches to early action by NATO that Van Zeeland at one point went so far as to suggest that it might even be worth taking the risk of confronting "neutral" countries in OEEC with the necessity of agreeing to such cooperation or withdrawing.

4. A further problem was Germany, whose whole-hearted participation was essential to any programme aimed at improving economic conditions in Western Europe. Since membership in OEEC alone would obviously be inadequate, it was felt that consultations between EDC and NATO might provide an appropriate forum for bringing Germany more fully into the picture at the present time. Van Zeeland observed that this problem would be solved "eventually when Germany becomes a member of NATO," but he doubted if the Germans would be satisfied now with any arrangement which did not give them equal status with their Western European partners.

5. To accord due priority to the critical economic problems, it was agreed that the report of the Working Group should be revised so as to include an introduction setting forth in general terms the ideas which were expressed at the meeting. These will include a recommendation that the responsibilities of the North Atlantic Community Committee should be transferred to the Council. The section dealing with the movement of labour, to which the Working Group has devoted special attention, will not be changed, and the social and cultural aspects will be played down in relation to the other aspects of non-military cooperation.

6. At the suggestion of the meeting, I am drafting the proposed changes for the report which should be ready in its amended form for a further informal meeting of the committee on Thursday.

7. Copies of this telegram are being sent by bag to Oslo, The Hague, Brussels, Bonn and Rome. Ends.

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421. DEA/50030-AK-40

Le secrétaire d'État aux Affaires extérieures
au haut-commissaire au Royaume-Uni

Secretary of State for External Affairs
to High Commissioner in United Kingdom

TELEGRAM 393 Ottawa, February 13, 1952

SECRET. IMMEDIATE.

NORTH ATLANTIC COMMUNITY COMMITTEE

Addressed to London No. 393 repeated to Paris No. 295 (no priority).

Reference: Your telegram No. 448 of February 11.

Following for the Minister.

The following suggestions regarding your telegram emerged in a brief informal discussion with officials of the other interested Departments.

2. There seem to be two dangers that should be weighed against each other. On the one hand there is the danger, emphasized by Dr. Stikker, that the Report of the Community Committee will be very slim and will become the subject of unfavourable comment. You are fully aware of this danger and no further emphasis from here is required.

3. On the other hand there is a second danger, which Dr. Stikker may have been underestimating. . . . In the final analysis the necessary corrective measures in such fields as European payments, trade liberalization, productivity and financial stability must be taken by national governments as matters of internal policy. As the Commonwealth Finance Ministers said in their communique when dealing with the economic problems of sterling area countries: "The methods . . . are within the discretion of each country concerned and will vary according to their individual circumstances. The first, and most important, step is to ensure that the internal economy is sound. . . ." Fundamentally, lack of progress in the fields mentioned by Dr. Stikker would seem to be attributable to the attitudes of individual governments and the political and economic forces surrounding them rather than to the lack of international organizations, or to the fact that existing organizations do not in every case have exactly the right membership and terms of reference to deal with particular problems. Transference of a problem from one organization to another can sometimes be helpful, but only when the stars are favourable; and it is difficult to believe that they are favourable just at present for transfers from OEEC to NATO. OEEC has probably taken the matters referred to just about as far as practicable under the present political and economic circumstances in Europe and in the light of the amount of economic and military aid likely to be forthcoming from the United States. If NATO picks them up now it will add internal stresses and strains to an organization that is

already under considerable strain in other directions. The danger is that NATO will be saddled with all these problems and that the countries concerned will use this as an excuse to postpone changes of policy on which the solution of the problems in large measure depends. In the long run this could be pretty damaging to the North Atlantic Community.

4. In general, joint action between NATO and OEEC is to be welcomed. This is an important consideration pointing towards establishment of NATO civilian headquarters in Paris. Up to the present there have been very useful instances of such joint action; the T.C.C. exercise is the outstanding example. A precondition of this joint action so far has been that it has not been spectacular and not been publicized, and hence acceptable (under protest) to Sweden and Switzerland. When Plumptre talked to Marjolin[6] and Leroy Beaulieu[7] in Paris, after the Committee meeting there early last November, they both emphasized the importance of informality. The introduction of formality would probably mean the loss of Switzerland and Sweden and this would not seem worthwhile unless it is clear beyond doubt that really substantial progress and achievements would result.

5. The desirability that NATO should from time to time pick up particular economic subjects at appropriate moments and give them a "push" was envisaged in Section B,I,3, of the original Working Group report to the Committee of Five last November. This section was under consideration by FEB at the time of the Rome meeting and was therefore not covered by the Committee's interim report at that time; it is referred to only in the second sentence of paragraph 23 of the interim report. It is doubtful, to judge from the subsequent papers and telegrams, whether FEB fully grasped the point of these suggestions.

6. It is suggested that, in following up and redrafting Dr. Stikker's suggestions, you might wish to go back to the agreed Working Group report. Thus the emphasis might be, not on a wholesale transfer of OEEC problems to NATO, and a formalization of relations between them, but active exploration of matters where NATO initiative might be productive.

7. In the future NATO will almost certainly be carrying out something like the T.C.C. exercise on a continuing basis and the economic position and problems of member countries will naturally come under review. Moreover, the allocation of the United States military and economic assistance is likely to depend in large measure on the assessment made in NATO of military requirements on the one hand and politico-economic capacities on the other. This is the sort of operation in which NATO would seem to have a primary

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[6] Robert Ernest Marjolin, secrétaire général de l'Organisation européenne de coopération économique.
Robert Ernest Marjolin, Secretary General of Organization for European Economic Cooperation.

[7] Leroy Beaulieu, président du Bureau économique et financier de l'Organisation du traité de l'Atlantique Nord.
Leroy Beaulieu, Chairman, North Atlantic Treaty Organization Financial and Economic Board.

interest and which the organization would be expected to perform. If this is what Dr. Stikker has in mind, we would not be worried.

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422. DEA/50030-AK-40

Le délégation à la neuvième réunion du Conseil de l'Atlantique Nord au secrétaire d'État aux Affaires extérieures

Delegation, Ninth Meeting of North Atlantic Council, to Secretary of State for External Affairs

TELEGRAM EXL-EAO-8[8] Lisbon, February 18, 1952

NORTH ATLANTIC COMMUNITY COMMITTEE

Following for Acting Secretary of State for External Affairs, from Heeney, Begins: This committee met on February 18 and agreed on a report to be submitted to Council (probably on Saturday). The report follows the lines of the documents circulated in Ottawa before the departure of the Canadian delegation to NATO with the following exceptions:

Movement of labour

In line with the recommendations of the inter-departmental committee in Ottawa, the North Atlantic Community Committee has agreed to drop the proposal for a meeting of experts in the manpower field. The permanent North Atlantic Treaty Organization is now to be requested to "make recommendations for eliminating manpower shortages" and their consideration of this subject is to include the various elements that, under a previous resolution, would have been taken into consideration by the meeting of experts.

Economic and general matters

The proposals which Mr. Stikker originally put forward and which were summarized in telegram No. 448 from London to Ottawa of February 11th have since that time gone through several revisions in the light of the reply (No. 393 from Ottawa to London of February 15) and comments put forward from the United Kingdom and other sources. The suggestion of closer arrangements with OEEC remains in the report but it is phrased tentatively and the paragraphs concerned with this matter lead to the conclusions,

(a) That the subject must be considered by the whole Council and not by a committee representing the five countries only, and

(b) That "if and when the Council is established in continuous session, the functions of the committee shall be transferred to the new Council." We do not consider that the paragraphs as they now stand will imply any new obligations or lead to unreasonable hopes regarding NATO activities in the commercial field.

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[8] Le télégramme porte la mention :/Noted in telegram:
Repeated to London as No. 425 and OEEC Paris as No. 17.

2. We are sending a separate telegram regarding possible references, in connection with the North Atlantic Community Committee, to United States import restrictions on dairy products.

3. Please repeat to London and OEEC Paris. Ends.

2ᵉ PARTIE/PART 2

RÉUNION DU CONSEIL DE L'ATLANTIQUE NORD, LISBONNE, 20-25 FÉVRIER 1952
MEETING OF THE NORTH ATLANTIC COUNCIL LISBON, FEBRUARY 20-25, 1952

423. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa,] February 5, 1952

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N.A.T.O.; reorganization; relationship to Germany

30. *The Secretary of State for External Affairs*, referring to discussion at the meeting of December 4th, 1951, said certain proposals for changes in the North Atlantic Treaty Organization would be placed before the N.A.T.O. Council at its forthcoming meeting in Lisbon. The main changes contemplated were abolition of the Council Deputies and creation of a Council in continuous session, with Ministers attending only when required; appointment of a Director-General or Secretary-General who would also be vice-chairman of the permanent Council and might be of ministerial experience; and selection of London or Paris as the permanent headquarters for most N.A.T.O. organs.

Creation of a permanent Council would necessitate appointment of a full-time Canadian representative and delegation.[9] The U.S. Government considered the Secretary-General should not be an American. The preliminary Canadian position taken on the question of concentrating N.A.T.O. agencies in one capital was that, on balance, Paris would be the best site.

31. *The Minister of National Defence* felt the change in the organization of the Council should be duplicated on the military side, with the Military Committee in permanent session but normally attended by representatives of its members.

32. *Mr. Pearson* thought it difficult to foresee what would happen if there were a failure to agree on the future position of Western Germany. The United States would like it to become a member of N.A.T.O. and, while French opinion in the matter had evolved considerably during the past year, the French government was opposed to such a step being taken until the problem

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[9] Voir les documents 430-432./See Documents 430-432.

of Germany's boundaries was settled and the French public was further prepared. If Germany was to collaborate in Western defence, it would probably want to participate in policy forming and might want an undertaking that its eastern boundaries, even those of the pre-1945 period, would be defended.

33. *The Prime Minister* said that, although it would not be possible to agree to defend the old German borders, the remainder of the price Germany was now setting for its collaboration in defence was no higher than that anticipated for some time and no more than would have to be paid.

34. *The Cabinet*, after further discussion:

(a) noted with approval the report of the Secretary of State for External Affairs regarding proposals for changes in the North Atlantic Treaty Organization that would be placed before the N.A.T.O. Council at its forthcoming meetings in Lisbon; and,

(b) noted the Minister's report as to problems being encountered in negotiations regarding the relationship of Germany to Western defence arrangements.

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424. DEA/8508-40

Extrait du procès-verbal de la réunion des chefs de direction
Extract from Minutes of Meeting of Heads of Division

CONFIDENTIAL Ottawa, February 11, 1952

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THE NORTH ATLANTIC TREATY ORGANIZATION

NATO Council Meeting in Lisbon

1. *Mr. Kirkwood.* The NATO Council meeting has been postponed until February 20th in view of the death of the King. It is thought that the meeting will not last more than three or four days. The Military Committee meetings will continue as scheduled during the present week. It appears that the TCC will hold its meetings beginning on Sunday, February 17. . . . The Canadian party to the Council meeting consists of:

Delegates:
- Hon. L.B. Pearson
- Hon. Brooke Claxton

Advisers:
- Mr. A.D.P. Heeney
- Mr. L.D. Wilgress
- Mr. W.F.A. Turgeon
- Mr. C.S.A. Ritchie
- Mr. A.F.W. Plumptre
- Mr. S.F. Rae
- Mr. H.F. Davis
- Mr. J.F. Parkinson

The party to the Military Committee, some of whom will remain for the Council Meeting, consists of:

Lt. General Charles Foulkes
A/V/M H.L. Campbell
Gen. J.D.B. Smith
Lt. Col. R.L. Raymont. (CONFIDENTIAL)

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425. DEA/50030-A-6-40

Note du ministère des Affaires extérieures

Memorandum by Department of External Affairs

SECRET Ottawa, February 19, 1952

THE LISBON MEETING OF NATO

1. The three major topics on the agenda for the Lisbon meeting of the NATO Council are: the TCC Report; reorganization of the civil side of NATO; and the association of the German Republic in Western defence.

The TCC Report

2. The original comments of Belgium to the recommendations of the Executive Bureau of the Temporary Council Committee[10] have been amended (as have those of Canada), and it is understood that the Report of the Executive Bureau to the Council has been amended to take account of these changes. It is now felt that the very large measure of agreement on the recommendations of the Bureau will make possible an effective programme of action on the military as well as on the civil side of NATO for the coming year.

3. It is also thought that the U.S. administration will be able to report to Congress that there is a sufficiently large measure of agreement on the Report to warrant approval by Congress of the appropriations for mutual aid (military and economic) for European members for 1952-1953. (It is not improbable that a good deal of the non-military side of the Report will become public in Congressional hearings.)

Reorganization of NATO

4. There is general agreement among member Governments that non-military organs of NATO should be concentrated in one capital; that the present more or less autonomous boards should be abolished and all brought under the Council; that the Council should be in continuous session, governments being left to decide whether at any particular meeting they should be represented by

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[10] Le Conseil de l'Atlantique Nord a créé un Comité temporaire du Conseil au cours de sa réunion de septembre 1951 à Ottawa pour faire des recommandations concernant les contributions que les pays membres pourraient apporter à la défense, eu égard à leurs possibilités politiques et économiques.

The Temporary Council Committee was established by the North Atlantic Council at its September 1951 meeting in Ottawa to make recommendations concerning the defence contributions of member states in relation to their political and economic positions.

Ministers or officials; that Govenments should be represented by separate missions to the NATO Council; that an outstanding person be appointed to a new office, that of Secretary-General.

5. On two matters there are still diferences of opinion:

(1) Whether non-military organs of NATO could be located in Paris or London, — the U.K. Government feels strongly it should be London and in this they have some support from the Italian and Icelandic Governments other governments favour Paris;

(2) Whether the Secretary-General should be the Vice-Chairman of Council with the duty of presiding in the absence of the Chairman. (There is general agreement that the chairmanship of the Council should rotate alphabetically as now.)

There is also the problem of finding a suitable, and willing, candidate for the post.

Association of Germany in Western Defence

6. It was hoped that by the time of the Lisbon meeting the European governments negotiating on the establishment of a European Defence Community (France, Italy, Belgium, the Netherlands, Luxembourg and the German Republic) would have reached agreement and that the Occupying Powers in Western Germany would have concluded negotiations with the German Republic for the contractual arrangements intended to succeed the occupation regime. Negotiations for the European Defence Community have gone far but have been stalemated pending the outcome of debates in the German and French Parliaments. Negotiations for the contractual arrangements with the German Governments are also hanging fire. It would appear that the NATO Council at Lisbon can do little more than note progress to date and exhort the Governments concerned to speed up negotiations. Consideration can, however, probably be given to the prospective relationship between NATO and the EDC.

Other Issues

7. Among other issues of perhaps lesser importance likely to come before the Council are those of the Report of the Committee of Five, Infrastructure and Mediterranean Command.

8. A draft report of the Committee of Five on the North Atlantic Community was prepared by the Deputies of the Foreign Ministers concerned (Canada, Norway, Belgium, Holland and Italy). The draft report proposed action in such matters as the migration of labour for defence purposes, and development of a system of cultural exchanges among NATO countries. The draft, however, was not considered satisfactory by Mr. Stikker, the Netherlands Foreign Minister, because it paid little attention to economic problems of the North Atlantic Community. The report has been accordingly redrafted to take account of Mr. Stikker's comment.

9. The problem of financing infrastructure (fixed military facilities for common use in Western Europe)[11] has been before all recent Council meetings. Progress was made at Ottawa when an arrangement, more or less on an arbitrary basis, was reached for financing the most urgent requirements in airfields for the 1952 programme. No agreement has yet been reached for financing the 1953 programme. General Eisenhower has called the attention of the Council to this problem pointing out the danger that defence plans will be gravely jeopardized unless steps are taken immediately to enable construction to proceed.

10. A further problem is that of command in the Eastern Mediterranean and the Near East region. Both Greece and Turkey wish to come under the European Command of NATO rather than the proposed Middle East Command which would include Egypt and Arab countries. The British in particular have been most anxious to have Turkey participate in a Middle East Command. No solution having been reached at the military level, it is probable that the Council will be asked to resolve the issue at Lisbon.

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426. DEA/50030-A-6-40

Le secrétaire d'État aux Affaires extérieures
aux chefs de mission, à l'exclusion des consulats
Secretary of State for External Affairs
to Heads of Posts excluding Consulates

CIRCULAR DOCUMENT No. A.31/52 Ottawa, March 13, 1952

TOP SECRET

I transmit herewith the document listed below.

C.S.A. RITCHIE
for Secretary of State
for External Affairs

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[11] Voir «Le programme d'infrastructure commune de l'OTAN», *Affaires extérieures*, vol. 5, n° 11, (novembre 1953), pp. 321-324.
See "NATO's Common Infrastructure Program", *External Affairs*, Volume 5, No. 11, (November 1953), pp. 317-20.

[PIÈCE JOINTE/ENCLOSURE]

REPORT BY THE DEPARTMENT OF EXTERNAL AFFAIRS ON THE LISBON MEETING OF THE NORTH ATLANTIC COUNCIL, FEBRUARY 20-25, 1952.

DEA/50030-A-6-40

REPORT

TOP SECRET Ottawa, February 29, 1952

REPORT BY THE DEPARTMENT OF EXTERNAL AFFAIRS ON THE LISBON MEETING OF THE NORTH ATLANTIC COUNCIL FEBRUARY 20-25, 1952[12]

The results of the Ninth Session of the North Atlantic Council held at Lisbon can be summarized as follows:

(1) Approval of the plan for the establishment of a European Army and the association of the European Defence Community with NATO;

(2) Acceptance of the Supplementary Report of the Temporary Council Committee and the accompanying resolution;

(3) Agreement on the reorganization proposals to fit NATO to carry out its developing functions;

(4) Agreement on the division of costs of the essential part of the third slice infrastructure;

(5) Acceptance of the report of the Committee on the Atlantic Community;

(6) Approval of recommendations of the Military Committee on various military matters. (These will not be discussed separately in this paper.)

During this session Mr. Pearson was Chairman of the Council and Mr. Claxton, Chairman of the meetings of Defence Ministers and of the Infrastructure Committee. General Foulkes was Chairman of the Military Committee.

European Defence Community and NATO

The Council was concerned chiefly with two aspects of the problem of the establishment of the European Defence Community:

(1) the military effectiveness of the arrangements and the adequacy of the security controls; and

(2) the political machinery for associating the Community with the North Atlantic Organization.

As a preliminary, reports were presented on the progress of the negotiation of the contractual relations and of the Paris talks on the EDC.

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[12] Voir aussi «La réunion de Lisbonne du Conseil de l'Atlantique Nord», *Affaires extérieures*, vol. 4, nº 3, mars 1952, pp. 100-109.
See also "The Lisbon Meeting of the North Atlantic Council", *External Affairs*, Volume 4, No. 3, (March 1952), pp. 96-105.

Mr. Eden expressed the opinion that the contractual agreements were now approaching a successful conclusion and that a satisfactory basis had been found on which to complete the work on the two complicated outstanding problems of the German financial contribution and the fulfilment of the Brussels Agreement on security safeguards. Once this is done no major obstacles will remain in so far as the German contractual settlement is concerned to delay German participation in Western defence.

Mr. Schuman explained that the main problems in Paris had now been solved and that in the very near future a Treaty would be signed. He repeated the French wish that the European Organization might one day be extended to other European countries and extended also in the economic and political spheres. He recalled that the French Parliament had expressly declared in favour of modifying certain clauses of the Treaty if this were necessary in order to enlarge the Community. He explained that as it is now taking shape, it meets the two objectives of providing German military strength for the defence of Europe, while at the same time establishing safeguards against the military strength of the Community being identified with Germany's desire to regain her lost territories.

The Military Committee had studied General Eisenhower's report on the military effectiveness of the organization of the European Army and approved it, while stressing the necessity of retaining a degree of flexibility in the military organization. This requirement of flexibility had given rise to some French and Belgian misgivings but they were met by changes in wording agreed in the Military Committee.

The Council Deputies reported on the linking of the legal obligations by a system of reciprocal consultation and combined meetings. This point had been thoroughly discussed at the tripartite meetings in London (U.S., U.K. and France) where a new form of words had been worked out to provide for the calling of a joint meeting by a member of either Organization when he considered his security or that of the Organization to be threatened.

The Deputies' report mentioned the identical objectives of NATO and the European Defence Committee, and later in the meeting, during the discussion of the communique, the French took some exception to this if it were to be interpreted as meaning that the EDC had no independent sphere of activity. To meet this objection the communique refers to their working one within the framework of the other in so far as the objective of strengthening the defence of the Atlantic area is concerned.

The Netherlands Foreign Minister, Dr. Stikker, sought information on three points, which he considered would have to be clarified before he could present the European Army plan to the Dutch Parliament. He felt these should all be cleared up now because once the Treaty is accepted, it is bound, in his opinion, to lead to further integration if not to federation. He had some anxiety about the priority in distributing the German contribution to defence costs and whether the economies foreseen would result in a decrease in the forces stationed in Germany. Also he was anxious to know whether the amounts for the next three years available for the German contribution to the European

Defence Community would be sufficient to realize, together with the external aid, the military goals set for Germany.

Mr. Eden replied to these questions by stating that according to calculations, there will be enough in the present year on the basis of the contribution put down for Germany by the TCC Executive Bureau to cover what Germany can do in rearmament and the requirements of the EDC and the other Occupying Powers. Therefore, there is no question of priorities. Regarding the economies, Mr. Eden said that they have, in a considerable measure, already been made for this year and that there is no intention at all of reducing the Allied Forces, E.D.C., or U.K., or, as far as he knew, United States forces in Germany. The question of financing in the long-term period is a more difficult matter. It is agreed, however, that there should be consultation between the EDC and the U.S. and U.K. to decide on the figure and how it is to be divided and dealt with between the parties and what the programme is to be. It was Mr. Eden's thought that the assessment of German capacity in future years should be made on the same basis and by similar methods to that employed this year.

The various papers, including the draft protocol for the association of Germany with NATO were approved with a French amendment to a section of the joint report of the Deputies and the Military Committee so as to make it clear that no actual German troops would be raised before the Treaty is ratified. According to the amendment members will be invited to consider and initiate any measures which might be taken prior to or in anticipation of ratification in order to bring about, immediately after ratification, the raising of the German contribution to the EDC.

TCC Report

The Lisbon meeting saw the completion of the TCC exercise. The main report and supplementary report were accepted and the resolution, which had been prepared by the Executive Bureau adopted. All this took place with very little discussion in Council.

The Military Committee considered it most desirable that the TCC Report should be amended so as to take note of the force requirements which the military experts had fixed as necessary for 1952, a view which had General Eisenhower's support. The TCC agreed to this proposal and Council approved the figure set out in the Military Committee paper as firm goals for 1952.

The U.S. proposed an amendment to the draft resolution to provide for an examination of the Greek and Turkish military programmes on the same basis as the TCC examination. This was welcomed by the Council, and particularly by Greece and Turkey.

The most significant intervention during the discussion of the TCC Report was made by Mr. Eden, who delivered a statement prepared for him by Treasury officials who had come to Lisbon to make sure that the U.K. position was clearly recorded. Mr. Eden explained that the U.K. would do its utmost to carry out the TCC recommendations, but as the Report itself so clearly brings out, the U.K. capacity to do so depends on certain economic factors which are not wholly, or even largely, within their control. The most important of these are balance of payments difficulties and shortages of raw material. He went on to describe the present U.K. position as so grave and the risk to the whole U.K. economy as so great that unless the gold and dollar deficit can be covered by the middle of this year, the United Kingdom's defence programme will not only be retarded but indeed imperilled. This general caveat underlines, in a way that cannot be ignored, United Kingdom reliance on U.S. assistance. In welcoming the proposed annual review of defence programmes, the United Kingdom Foreign Secretary drew attention particularly to the need for an early study of the burden of maintaining the forces during the later stages of the build-up and when the build-up is complete. This problem, he pointed out, has been made more serious by the extension of the programme beyond 1954 so that, after 1954, Europe may have to face the combined burden of completing the build-up and maintaining the forces created.

The French made an addition to their comment on the TCC recommendation which weakened their already qualified acceptance. They had originally said "that France will not be in a position to put the plan in hand in its entirety while it remains alone in bearing the main brunt of the war in Indo-China, unless it receives without delay basic assistance of the kind recommended in the Report of the Temporary Council Committee." Now they confirm that their budgetary effort will be at least equal to the total figure of 1,190 million francs recommended by the TCC but add that this figure does not enable the targets of the Screening and Costing Staff to be reached. The French Government hope, nevertheless, that present discussions will lead to a solution enabling them to attain these targets in 1952, priority being given to the 14⅓ divisions of the Army raised according to the degree of preparedness fixed for France by the SCS.

Reorganization

The reorganization of the North Atlantic structure had been suggested by the TCC and discussed in the Council Deputies between the Rome[13] and Lisbon meetings. Agreement had been reached on the basic points with the exception of the terms of reference of the Secretary-General and the location of the permanent headquarters. It was decided that the question whether the Secretary-General should be Vice-Chairman and Chairman of the permanent Council should be left until it was known who would be appointed.

The location of the permanent headquarters could not be settled by the Deputies because of the determination of the United Kingdom that it should be in London. At a private gathering of Foreign Ministers in Lisbon, when the Big Three were absent, it became clear that only Portugal and Iceland really supported the United Kingdom choice, so at the meeting of Foreign Ministers on the final day, Mr. Eden withdrew his Government's insistence on London and cleared the way for agreement to centralize the civilian agencies in the vicinity of Paris. The United Kingdom insisted, however, on a form of words in the communique which, to them, made less embarrassing their retreat from a position which they had declared they were determined to hold. The communique states that "all civilian activities of the Organization will be concentrated in the geographical area where are situated other international agencies whose work is closely related to that of the Treaty Organization and with which close administrative connection is essential to efficiency. These are presently situated in the vicinity of Paris."

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[13] Réunion du Conseil de l'Atlantique Nord, 24 au 28 novembre 1951.
Meeting of the North Atlantic Council, November 24-28, 1951.

The choice of the Secretary-General was a more delicate matter for three of the most widely promoted candidates were at Lisbon. They were Mr. Stikker, the Foreign Minister of the Netherlands, Mr. Lange, the Foreign Minister of Norway, and Mr. Pearson, with Sir Oliver Franks, the U.K. Ambassador to Washington, being the fourth prominent candidate. After a very frank discussion in a closed meeting of Foreign Ministers, it was decided to invite Sir Oliver to be the first Secretary-General, but after deliberation, two days after the session closed, he announced he would not accept and the Deputies are now to propose to Governments a new candidate.

On the military side, the TCC Report had made some reorganization suggestions chiefly concerning the terms of reference of the Supreme Allied Commander Europe. In approving the military comments on the TCC Report, the new terms of reference for SACEUR, were also approved.

The Military Committee had worked out immediate command arrangements for the Greek and Turkish forces and these were approved by the Council. They provide that the Greek and Turkish ground and air forces assigned to NATO will operate under the overall command of SACEUR through the Commander-in-Chief Southern Europe. It is understood that there will be no intervening commander. In other words, they will not be under General Castiglione, the Italian commander of the ground forces in the Southern sector. Greek and Turkish naval forces will, for the time being, remain under national command pending settlement of all-over naval command arrangements in the Mediterranean now under further discussion by the Standing Group.[14]

Infrastructure

One great gap in the TCC exercise was the absence of any planning for infrastructure. On the recommendation of the French, infrastructure was included as an independent item on the Council agenda and General Gruenther, General Eisenhower's Chief of Staff, came to Lisbon to explain, both to the Military Committee and to the Council, the extreme importance which SHAPE attached to the Council reaching an agreement on sharing the cost of what is called the "hard core" of the third slice of infrastructure.[15] As

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[14] Voir aussi «Réorganisation de l'OTAN», *Affaires extérieures*, vol. 4, n° 4, (avril 1952), pp. 134-137.
See also "North Atlantic Treaty Re-Organization", *External Affairs*, Volume 4, No. 4, (April 1952), pp. 130-3.

[15] On appelait «tranches» les augmentations apportées au programme d'infrastructure.
Additions to the infrastructure were known as "slices".

General Gruenther pointed out, there was little point in providing the air forces if the fields and facilities necessary for their operation were lacking. All this points to the necessity of including infrastructure in any subsequent review of defence programmes.

The costs of the Third Slice had originally been estimated at £256 million but this sum was drastically cut, partly by reduction in the standards of the facilities to be provided and also by elimination of all facilities for which construction did not have to begin in 1952. Nearly 90% of the costs of the final figure is for airfields. Two thirds of the remainder are for Signals and one third for Headquarters. General Gruenther of SHAPE and other authorities emphasized the extreme urgency of getting financial agreement so that the construction programme could begin immediately.

The greatest difficulties were encountered in reaching agreement on the division of the costs of the Third Slice. This was partly because the different countries could not accept any common principle or formula for cost sharing. (Exactly the same difficulty had been experienced in dividing Slices One and Two amounting respectively to £33 million and £80 million). In addition the United States was determined to reduce its proportionate contribution drastically below the 48% to which it was committed under the agreement reached at Ottawa on the cost of the Second Slice, and the United Kingdom was forced by its financial difficulties also to reduce its participation.

Mr. Claxton represented Canada on the special Committee of Ministers on Infrastructure and was in the Chair. He took the line that the only acceptable formula for cost sharing was capacity to pay as represented by the national incomes (gross national product) of participating countries. If in the common interest Canada went beyond this amount, it would have to be taken out of funds which otherwise would have been available for mutual aid.

After some hard wrangling, it was possible to reach an agreement on the amount and distribution of the Third Slice of infrastructure as follows:

	Millions of Pounds
Belgium & Luxembourg	10.0
Canada	8.1
Denmark	6.1
France	20.0
Italy	12.2
Netherlands	6.2
Norway	4.6
United Kingdom	20.0
United States	65.0
Total	152.0

The United Kingdom contribution will be furnished to the greatest extent possible in kind (due to the balance of payments difficulties in that country).

All countries agreed that if the costs of the physical programme covered by the Third Slice turned out to exceed £152 million, the additional costs would be borne pro rata by the countries listed above.

The share which Mr. Claxton undertook to recommend to the Canadian Government was £8.1 million or roughly $23 million at current exchange rates. For Canadian budgetary purposes this might be broken down approximately as follows:

On Infrastructure Account	
In 1952/53	$10
In 1953/54	8
	$18
On Mutual Aid Account	5
Total	$23

Committee on the North Atlantic Community

The report of the Committee of Five dealt with the following main topics: Economic Cooperation, Political Consultation and Movement of Labour. It also had sections on cooperation in the social and cultural fields and on information activities.

In the general sections, the report stressed that the process of achieving lasting and cohesive relationships between the countries of the North Atlantic Community is necessarily a slow one and that while it was necessary to give priority to steps aimed at strengthening our common defence, there was no incompatibility between work in the field of non-military cooperation and that of military cooperation.

In the economic field the report recognizes that the transformation of the Atlantic Community ideal into a reality will not be possible if economic collaboration does not develop and increase. In the view of the Committee, NATO has an important interest in the expansion and freeing of trade, and while there would be dangers and difficulties in attempting to liberalize trading policies and practices within a group where the members have important trading relations with other countries, NATO members should nevertheless study the role that they might play in the expansion and freeing of trade, working in cooperation with other bodies and in particular with the O.E.E.C. Specifically, some form of joint consultation and joint action with O.E.E.C. in the purely economic field might be agreed upon.

In the field of political consultation, nothing was really added to what was already put forward in the report to the Rome meeting. It is recognized that if the Council is reorganized and meets in continuous session, it will provide a valuable forum for facilitating and strengthening political consultation.

On the subject of the movement of labour between North Atlantic countries, the Committee concluded that there is scope within the NATO framework for useful and practical action in this important field. The Committee recommended to the permanent NATO Organization that the problems relating to the movement of labour should be kept under constant review.

The Committee did not feel that there was much that NATO could usefully do in the field of social cooperation that was not already being covered by other international bodies. In the cultural field, however, attention was directed to a limited number of experimental projects and some recommendations were made regarding informational activities.

In conclusion, the Committee recommended that when the NATO Council is reorganized to be in permanent session, the responsibilities of the Committee of Five should pass to the full Council because a body which represents only five of the NATO members has not proved to be the most effective agency for recommending programmes of specific action.

The Council approved the Committee's report and the recommendation regarding the transfer of functions to the permanent Council.

At this point in the discussion, the U.K. Foreign Minister recommended that a declaration be issued setting out anew the aims of the North Atlantic Treaty. The U.K. draft was well done but was full of brave words and resounding phrases like "construction of a united, peaceful world in which the safety, dignity and welfare of the individual shall be inviolable," and such questionable aims as working "towards the freest possible intercourse of men, money and goods." There were some doubts about the desirability of issuing such a declaration, but, re-written in more arid language, it was issued at the end of the communique.

3ᵉ PARTIE/PART 3

NOMINATION DU SECRÉTAIRE GÉNÉRAL
APPOINTMENT OF SECRETARY-GENERAL

427. DEA/50031-AL-1-40

Le secrétaire d'État aux Affaires extérieures
au haut-commissaire au Royaume-Uni

Secretary of State for External Affairs
to High Commissioner in United Kingdom

TELEGRAM 479 Ottawa, February 27, 1952

SECRET. IMPORTANT

SECRETARY-GENERAL OF NATO[16]

Reference: My immediately preceding telegram.

Following for the Under-Secretary, Begins:

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[16] Voir le document 426./See Document 426.

Following for the Under-Secretary, Begins:

1. My immediately preceding telegram[17] quoting the text of Mr. Pearson's press release speaks for itself. If the High Commissioner and Rae are not in London, please ask Ritchie to give a copy of the press statement at once to Mr. Spofford.[18]

2. Mr. Pearson would like Spofford to convene a meeting of the Council Deputies just as quickly as possible to consider again the question of the secretary generalship. This will be a delicate operation but it is important that no time should be lost.

3. Mr. Pearson would like Mr. Spofford to know for his own guidance and that of his colleagues in the Council Deputies that Mr. Pearson himself would, not repeat, not be available for the appointment.

4. I shall be writing the High Commissioner a personal letter on this subject and sending it by airmail. Ends.

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428. DEA/50031-AL-1-40

Extrait du télégramme du secrétaire d'État aux Affaires extérieures à l'ambassadeur aux États-Unis

Extract from Telegram from Secretary of State for External Affairs to Ambassador in United States

TELEGRAM EX-455 Ottawa, March 1, 1952

SECRET. IMPORTANT

Following personal for Wrong from Heeney, Begins: Following is text of telegram sent by the Minister yesterday to Mr. Eden, Text Begins: After our telephone conversation today, I have again discussed with the Prime Minister the possibility of my accepting appointment as Secretary-General of NATO. Mr. St. Laurent appreciates, as I do, the great importance of having a suitable appointment made without delay. Nevertheless, after most careful consideration I have again come to the conclusion that it is not possible for me to accept.

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[17] Le télégramme comprenait un communiqué de presse qui déclarait que Sir Oliver Franks ne pouvait accepter l'invitation du Conseil de l'Atlantique Nord de devenir le secrétaire général de l'OTAN.
The telegram contained a press release stating that Sir Oliver Franks was unable to accept the North Atlantic Council's invitation to become Secretary General of NATO.

[18] Charles Spofford, représentant suppléant des États-Unis auprès du Conseil de l'Atlantique Nord.
Charles Spofford, Deputy Representative of United States on North Atlantic Council.

429. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa,] March 11, 1952

. . .

NORTH ATLANTIC TREATY ORGANIZATION: APPOINTMENT OF LORD ISMAY AS SECRETARY-GENERAL

13. *The Prime Minister* reported that Lord Ismay had now agreed to have his name put forward as Secretary-General of the North Atlantic Treaty Organization. Mr. Pearson had instructed Mr. Wilgress to support this nomination when it came before the Council Deputies.

14. *The Cabinet* noted with approval that Lord Ismay, U.K. Secretary of State for Commonwealth Relations, was prepared to serve as Secretary-General of the North Atlantic Treaty Organization and the proposal that Canada would support his appointment when the matter came before the Council Deputies.

4e PARTIE/PART 4

DÉLÉGATION DU CANADA
CANADIAN DELEGATION

430. PCO

Extrait du décret[19]

Extract from Order-in-Council[19]

P.C. 1601 [Ottawa, n.d.]

The Committee of the Privy Council, on the recommendation of the Right Honourable Louis S. St. Laurent, the Prime Minister, advise that a Commission under the Great Seal of Canada do issue appointing Arnold Danford Patrick Heeney, one of Her Majesty's counsel learned in the law, to be Ambassador and Permanent Representative of Canada to the North Atlantic Council, effective April 15th, 1952;

. . .

LOUIS S. ST. LAURENT

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[19] Notre exemplaire du document porte l'annotation suivante :
The following is written on this copy of the document:
Approved. Vincent Massey Mar. 18, 1952.

431. DEA/50101-A-40

Extrait d'une note

Extract from Memorandum

CONFIDENTIAL [Ottawa,] April 15, 1952

. . .

CANADIAN PARTICIPATION IN NATO

Section 3

CANADIAN DELEGATION

Composition, Functions and Procedure

(a) *Title*

The Mission will be known as "The Delegation of Canada to the North Atlantic Council."

(b) *Permanent Representative*

The Delegation will be headed by a Permanent Representative who will represent the Government on the North Atlantic Council.

The Permanent Representative will be the Representative of Canada to the Organization for European Economic Cooperation.

The Permanent Representative will be responsible for the operation of the Mission and will have under his direction all officers and employees assigned to the Delegation by Departments of Government.

In assigning duties to the members of the Delegation, the Permanent Representative will bear in mind the special interests of the respective Departments of Government from which such members of the Delegation are drawn.

(c) *Alternate Representative*

The Permanent Representative may designate a senior member of the Delegation as Alternate Representative to act for him on the North Atlantic Council and in the Organization for European Economic Cooperation when the Permanent Representative is unable to act.

(d) *Civilian Staff*

The civilian staff of the Delegation will be drawn, in the first instance, from the Departments of External Affairs, Finance and Defence Production.

Since the Permanent Representative will represent the Government as a whole, all civilian members of the Delegation will report to and, normally, through him.

Instructions to the Delegation will be addressed to the Permanent Representative through the Department of External Affairs which will be the normal channel of communication to and from the Delegation for all Departments of Government.

On matters of a specialized nature of primary interest to a particular Department of Government, members of the Delegation may report directly to their own Departments keeping the Permanent Representative informed.

(e) *Military Staff*

The Delegation will include a Military Adviser who will assist the Permanent Representative on military questions coming before the Council.

The Military Adviser will be the representative on the Delegation of the Chiefs of Staff and their normal channel of communication with the Permanent Representative.

The Military Adviser will provide advice and information to the Delegation on military matters, liaison with the representatives at the Council headquarters of the Standing Group; he may also be called on to report on specific military questions for the Chiefs of Staff.

The Military Adviser shall keep the Permanent Representative fully informed of all matters coming to his knowledge which concern the work of the Council.

The Chiefs of Staff may designate a Deputy Military Adviser whose duties and responsibilities shall be those of the Military Adviser in the absence of the latter.

(f) *Responsibilities of the Mission*

The Delegation will have primary responsibility for reporting to the Government on all matters arising out of Canada's membership of NATO.

The Delegation will have primary responsibility for reporting on all matters arising out of Canada's association with the O.E.E.C.

Diplomatic Missions in NATO and O.E.E.C. countries will, of course, be expected to continue to report on subjects affecting the Atlantic Community and European integration, with special reference to the policies and interests of the countries to which they are accredited. The Delegation should, therefore, coordinate its reports with those of such other Missions and consult with them from time to time regarding such reports.

The Delegation will also report on the progress of the European Defence Community with which it will maintain liaison.

The primary contacts of the Delegation will thus be with NATO, OEEC and EDC. Official relations with the French Government will continue to be conducted through the Canadian Embassy in Paris. Nevertheless, it is recognized that, in practice, the Permanent Representative or members of the Delegation would have informal contacts with the Quai d'Orsay and other French departments dealing with questions arising in NATO and OEEC.

Close cooperation between the Paris Embassy and the Delegation will be important and the precise division of responsibility can be worked out in cooperation between the two Missions as questions of common interest are encountered. The Delegation will, in all probability, have to call upon the Embassy for assistance, particularly during the initial stages and in regard to administrative matters.

432. DEA/50101-A-40

Rapport

Report

SECRET[illegible] [Paris?] October, 1952

REPORT ON THE FIRST SIX MONTHS OF THE CANADIAN DELEGATION TO THE NORTH ATLANTIC COUNCIL AND THE OEEC

Contents

PART I — Responsibilities of the Mission
1. Introduction
2. NATO
3. OEEC
4. Other Responsibilities of the Mission
5. Conclusions
PART II — Establishment
1. Officers
2. Other Staff
PART III — Facilities and Services

PART I

RESPONSIBILITIES OF THE MISSION

1. *Introduction*

At the time this Mission was established, the Secretary of State for External Affairs sent to the Prime Minister and to the Ministers of Finance, National Defence and Defence Production, copies of a paper, dated April 15, entitled "Canadian Participation in NATO." The paper reviewed the development of Canada's relationship to NATO, gave an account of the principles agreed upon at Lisbon for the re-shaping of the civilian side of the Organization, and set out what might be called the terms of reference of this Mission. This paper has been discussed previously with the Deputy Ministers of the three other departments concerned, who were in agreement with the contents of its third section which dealt with the functions of the Mission.

2. The letter transmitting this paper to Ministers pointed out that the developments in which the Mission was to participate were to a large extent experimental, and that, for this reason, the senior officials concerned had agreed that in six months' time the situation should be reviewed. It is the purpose of this report to set out our appreciation of the responsibilities of the Mission in the light of our experience to date, to assess the adequacy of our

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[illegible] Le document original comporte le texte suivant :

The following is in the original:

It should be noted that Part I of this report is graded "Secret" and Parts II and III "Confidential".

resources for the fulfilment of these responsibilities, and to recommend such changes in our terms of reference and establishment as may appear to us desirable.

3. As the Mission's responsibilities are not confined to Canada's participation in NATO but also include the conduct of our relations with OEEC, this report will touch as well on our work with this latter Organization and on certain other subjects with which we have been, or expect to be, concerned.

II. *The North Atlantic Treaty Organization*

The First Six Months

4. During the period since the establishment of this Mission, the civilian agencies of NATO have, necessarily, been much preoccupied with the problems of moving the headquarters from London to Paris and of re-organizing the international staff. At the same time, recruitment has been going on and the new Permanent Council has been working out methods for conducting its business in such a way as to meet the extended responsibilities laid upon it at Lisbon. In fact, NATO has been going through a difficult stage of adapting itself to a new environment as well as undertaking new and larger tasks. Finally, Lord Ismay himself, the newly-appointed Secretary-General, was until recently unfamiliar with the internal history of NATO and with the nature of some of its current problems. The same has been true of his principal assistants. In these circumstances, it was not unnatural that the first months of the new NATO did not afford a spectacle of marked efficiency or accomplishment. In fact, over this period all concerned with the future of the Alliance experienced a good measure of frustration and discouragement.

5. More recently, however, events have taken a brighter turn. Many of the principal problems of administration have been overcome; the international staff has been strengthened materially and is taking hold. The various delegations have settled down in their new location and are displaying more force and confidence in Council deliberations. The Secretary-General himself and his senior assistants are acquiring experience in guiding the deliberations of the Council and in directing the work of the Secretariat and staff. Progress has been made with several of the problems which in June or July the Council seemed unlikely ever to tackle effectively. In fact a new atmosphere of modest optimism is apparent and although no one in NATO is under any illusions about the difficulties facing the Alliance the prospect is much brighter that the Permanent Organisation in Paris will be able to tackle these difficulties effectively.

The Prospects for the Future

6. The next few months will be a period of stress and anxiety. The most immediate problem facing the Organisation is the completion of the Annual Review. This, it will be recalled, was decided upon at Lisbon, as a more systematic application of the concept underlying the "TCC exercise" — the periodic review and reconciliation of NATO's military needs with the military, economic and political capabilities of its members. This year's Review is now

being pressed forward urgently. The U.S. Government is determined to present to the new Congress in January a NATO programme for 1953 which will set forth agreed military goals for next year. Their present disposition is to have this programme show major new force commitments beyond those to which member countries agreed at Lisbon for 1952. They argue that, unless the Congress can by such means be convinced that the European nations are working determinedly to build up their defences as rapidly and independently as possible, it will be difficult or impossible to obtain the sums needed for their foreign aid programme. It is of course difficult to meet this argument, in terms of U.S. domestic politics or administration tactics, but it is to say the least questionable whether this is the most effective means of adding to the defensive strength of the Alliance. Indeed the U.K. Government are inclined to take, as yet only privately, quite the opposite view. As for the other members of NATO, it is to be feared that, despite their internal political and economic difficulties, they may be induced to accept unrealistic military goals for 1953 in the hope that by so doing they may receive the maximum U.S. aid.

7. The conduct of the Annual Review will constitute a serious test for NATO. Apart from the difficulty of developing an agreed programme which will satisfy the political requirements of the U.S. Administration there is the basic problem of reconciling minimum military requirements with political and economic capabilities. It will require great patience and skill to reach an acceptable solution of this central issue. It is fortunate that these matters have been posed in a paper recently submitted to the Council by Lord Ismay. It is possible that some progress may be made in laying a basis for compromise when the Standing Group meet the Council in Paris later this month.

8. Another important subject which has gradually come to occupy the Council's attention to a considerable extent is that of consultation on general political issues. An example is to be found in the discussions which have recently been held on the situation in Germany and on the latest exchange in the series of notes between the U.S.S.R. and the three Western Powers concerning the problems relating to a German Peace Treaty. Other subjects which have come before the Council have been the situation in Iran and in Egypt, and the moves toward a rapprochement between Yugoslavia on one side and Greece and Turkey on the other. There are prospects that such discussions will become more frequent and more substantial in the future.

9. It is encouraging also that in the last month there have been various steps taken in the direction of realistic examination of the possibilities of further cooperation under Article 2 of the Treaty. There are now three bodies working under the Council in this field — the Information Policy Working Group, the Committee on Social and Cultural Cooperation and the Committee on Migration and the Movement of Labour.

10. Taken all in all the prospects of NATO for the next six months are, in our opinion, encouraging. There is much hard, complicated and delicate work to be

done; there are now grounds for reasonable hope that the new Organisation may be able to make solid progress toward its accomplishment.

III. *Organization for European Economic Cooperation*

11. Two of the general fields of activity mentioned above are not the concern of NATO alone. The Annual Review is being conducted in conjunction with the OEEC Review of the economic position of its members, and the work of the Committee on Migration and the Movement of Labour is related to that of the OEEC Committee on Manpower. Canada is of course not a member of the OEEC, but like the United States, is formally "associated" with it.

12. Canada has at present two major interests in the OEEC. The first is in the OEEC Annual Report, particularly as it relates to the NATO Annual Review. Conditions in Canada and the United States are being assessed. Moreover, because the OEEC Secretariat is planning to focus this year's Report on the "dollar problem" and the need for European countries to hold steadfastly towards the goal of convertibility and non-discrimination, this year's Report is of particular interest to Canada. In the second place, Canada has an active interest in the progress and processes of European trade liberalization and related policies. Politically as well as economically, Canada is concerned that Europe should be strong. On the other hand, as the past year has made clear, the OEEC and EPU may be used as instruments whereby the relatively weak members can persuade a relatively strong member to follow then in programmes of discrimination against dollar imports. This carries implications, not merely for the particular Canadian interests concerned, but if it spreads wide enough, for the whole nexus of trans-Atlantic and world-wide trade relations.

13. While Canadian concern in the OEEC is concentrated on the two broad issues referred to above, various Canadian Departments have expressed interest in a number of other aspects of the OEEC work relating to individual commodities, manpower, scientific research, etc.

IV. *Other Responsibilities of the Mission*

14. This Mission is also concerned with the work of the European Defence Community Interim Committee and in the activities of the Council of Europe. With the former, the link is obvious. The French Permanent Representative reports to Council on the progress of the Committee of which he is Chairman. Informally, through contacts with the Secretariat and in the Embassy of the United Kingdom, we have been able to obtain information on the activities of the interim body. So far the work has been technical but, as the organisation takes shape, more general problems with political complications are beginning to arise.

15. The Mission is also interested in the activities of the Council of Europe between the sessions of the Consultative Assembly. As the integration of Europe makes progress and the number of European organisations increase,

the problem will arise of assigning responsibilities among our various Missions in Western Europe for reporting on these activities.

V. *Conclusions*

16. We find that the assignments given to this Mission as regards NATO and the OEEC and other international agencies have developed generally as was anticipated in Ottawa. The Mission has now completed its administrative and personnel organisation and our impression is that over the next six months, the volume of work is likely to continue at about the present level with a gradual tendency to increase. If the Mission is given additional responsibilities, for example as regards "European integration", our staff requirements will have to be reviewed before the end of that period. We are now at about the limit of what can be done efficiently with our present resources and any proposal for our assuming additional responsibilities should be carefully related to the availability of additional staff.

5ᵉ PARTIE/PART 5

VISITES DU SECRÉTAIRE D'ÉTAT AUX AFFAIRES EXTÉRIEURES À WASHINGTON, LONDRES ET PARIS, SEPTEMBRE 1952
VISITS OF SECRETARY OF STATE FOR EXTERNAL AFFAIRS TO WASHINGTON, LONDON, AND PARIS, SEPTEMBER, 1952

433. DEA/50030-AG-40

Extrait du résumé d'une conversation

Extract from Summary of Conversation

TOP SECRET [Washington,] September 5, 1952

VISIT OF THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS TO WASHINGTON SEPTEMBER 4-5, 1952

Summary of Conversaton at Dinner at the Embassy Residence, September 4

The following were present at the dinner:

Mr. Pearson
Mr. Acheson
Mr. Wrong
Mr. Freeman Matthews
Mr. Perkins
Mr. Ignatieff

The following were the main subjects discussed:

. . .

1. *NATO Problems*

Mr. Pearson explained that one of the purposes of his forthcoming visit to Europe was to turn over the Chairmanship of the North Atlantic Council at the end of his tenure of this office for a calendar year to the Foreign Minister of Denmark. He said that since he was a candidate for election to the presidency of the forthcoming General Assembly of the U.N. he thought that it was particularly important that he should turn over his office now, rather than wait until the North Atlantic Council Ministerial meeting on December 15.[21] Mr. Acheson readily agreed that this was desirable.

Mr. Pearson said that he also wished to discuss current NATO problems with Lord Ismay, with particular reference to preparations for the annual review and the decisions which would have to be taken at the Ministerial meeting on force targets. He hoped that it would be possible this time to avoid the kind of controversy which arose before and after the Lisbon Council meeting as a result of statements which appeared in the press comparing the alleged performances of the respective signatories in meeting the recommendations of the Temporary Council Committee and to avoid as well the issue of ambiguous announcements of military objectives. While he recognized that decisions would have to be taken by the Ministers to complete the Lisbon 1952 programme as quickly as possible and to continue the military buildup, balancing military, economic and political considerations, he hoped that it would not be necessary to confront governments with specific qualitative targets which they would be urged publicly to fulfil in 1953. This was not meant to imply that firm figures might not be set for 1953, but we should avoid public debate on the subject prior to NATO agreement, and also avoid as far as possible the projection of figures beyond 1953 in such a way that we appear to accept them as agreed.

He also wished to examine, while he was in Europe, the implications of the announced cutback in the British defence programme with particular reference to the thesis which had been put forward in justifying it. He was worried about the effect of this and recent French statements on NATO objectives and NATO morale. This thesis assumed a revision of the strategic concept governing North Atlantic military planning by assuming a greater reliance upon the strategic and tactical use of new weapons and of air power. This thesis, while it had certain superficial attractions, as it seemed to justify reductions in overall military expenditures and particularly the reduction of ground forces which would have to be made available after the first 60 to 90-day period following D-Day, had serious political implications, particularly in respect of probable reactions in continental Europe where once again they might think they were being considered as expendable.

Mr. Acheson made it clear that he had no sympathy for the British thesis. It seemed to him that it was a rationalization advanced to justify the decision taken by the British Government for political reasons to cut back its defence programme. The British argument, he said, could not be justified by the facts. The strategic use of atomic weapons would not materially affect the campaign which would have to be fought to stop the advance of the Soviet forces in Europe. The strategic counter-offensive which would be launched from the

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[21] Voir les documents 238-246./See Documents 238-246.

United States would only have longer-term effects upon the Soviet war potential. In the meantime, it was essential that there should be sufficient ground forces with tactical air support to stop the Soviet advance. No one had suggested that these forces should be of a magnitude which would permit them to mount a counter-offensive to drive the Soviet forces into the Soviet Union. The assumption was that, initially, the Soviet forces would advance a considerable distance into Western Europe and it would be necessary to launch at least an initial counter-offensive in order to stop the momentum of the Soviet advance. This explains the necessity of having covering forces immediately available for combat, with forces in reserve which would be made available within 30, 60 or 90 days of the beginning of the battle.

Mr. Acheson said that the British thesis also seemed to assume the existence of new types of special weapons which could be used tactically in the land battle to compensate for the numerical superiority of the Soviet ground forces. Mr. Acheson said that while it was true that the United States was experimenting with the development of a number of what he called "Buck Rogers" gadgets, none of these could be counted upon for use in the field until about 1956.

Mr. Acheson said that the British thesis also seemed to assume that the Soviet Union has no intention of launching a general war in the next two or three years. If by this it was meant that the Soviet leaders were not likely to decide to go to war on the calculation that Western military power now being built up might later place them at a greater military disadvantage, he was inclined to agree. This, however, he suggested, was not the real danger. The risks of general war were more likely, in his opinion, to arise from a different set of circumstances. There were certain circumstances, he particularly mentioned Korea and Berlin, in which the national security interests of the Soviet Union and the United States and other powers were so directly engaged that some unforeseen development might unloose a chain of events (none of which by themselves might be decisive), but which, taken together, might precipitate a general war. For instance, a serious air offensive launched against the U.N. forces in Korea from across the Yalu River would represent a most serious challenge to the security of U.S. forces in Korea that might well precipitate a chain of events. In Berlin, Mr. Acheson thought it was unthinkable that Western Powers could give up a position which the Soviet Government had in its power to make untenable from a military point of view.

The second type of situation which Mr. Acheson regarded as inherently containing the risks of general war was a local conflict in which the interests of the United States, as well as the Soviet Union, became increasingly and directly involved. He cited as an example the present situation in Indo-China and in the Middle East. Neither in Indo-China nor in the Middle-East had the United States sufficient resources to take preventive action in advance. The United States, therefore, had to improvise with the military resources available such action as was necessary to impede the fulfilment of Communist designs.

Returning to the question of the NATO force targets, Mr. Acheson said that the main object of NATO military planning at present was to build up the minimum forces necessary to stop the initial Soviet attack. In order to provide the basis for the necessary request to Parliaments for the authorization of funds, force targets seemed to him essential. Mr. Pearson then said it was the process of establishing them and the publicity given to that process which worried him. Mr. Acheson suggested that a distinction might be made between the tactics employed in the presentation of such targets to the public and their use by governments for supporting defence appropriations. He did not see, however, how it was possible to avoid establishing firm force targets for 1953; otherwise, the United States, for example, would not have any firm basis on which to request Congress for foreign military aid in support of the NATO defence programme. He implied that it might be possible to reduce to some extent NATO targets insofar as the military requirements recommended by the Standing Group proved to be beyond the economic capabilities of the respective NATO members. It was necessary, however, in his view, to continue the build-up of forces to the extent that the economic resources of the member nations would permit. The possibility of using new atomic weapons, tactical and strategic, could not affect NATO military planning in the next two or three years.

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434. PCO

Note du secrétaire d'État aux Affaires extérieures
Memorandum by Secretary of State for External Affairs

TOP SECRET London, September 22, 1952

MEMORANDUM BY MR. PEARSON REGARDING TALKS IN LONDON AND PARIS ON NATO DEFENCE PROGRAMMES AND STRATEGY

The first discussion of these matters was during my conference with Mr. Eden on Friday morning, September 12, but it was general in character. He did, however, express emphatic appreciation of the importance of the permanent NATO Council and of the desirability of using it for political discussions. In this connection he referred with satisfaction to the discussion which had recently been held on Germany. This surprised both Mr. Robertson and myself because of the attitude that the Foreign Office had taken towards such discussions, an attitude which had apparently been expressed in instructions to Hoyer-Millar, which were almost rudely negative in character. Incidentally, Mr. Eden repeated this favourable view of Council political discussions at his luncheon on that day. The opposition to these seems to come from officials in the Foreign Office, a fact which was confirmed by the intervention of Pierson-Dixon at the luncheon in question.

At this luncheon, which was attended, among others, by Lord Alexander, Sir Ian Jacob, the United States Ambassador and William Draper, there was a general conversation over a number of NATO military and political subjects. Draper indeed made quite a speech in which he emphasized the importance of the United Kingdom pushing ahead with their defence programme and completing their review of this programme in time to have the NATO Annual Review completed by December 15. The United Kingdom persons present, however, were doubtful whether this would be possible, and were also inclined to emphasize economic and financial difficulties. While Draper emphasized the need for speed in this matter, he took the opposite view in respect of the strategic re-assessment which was underway by the Standing Group and which was to take account of "new weapons." He did not think that this would be completed in time to affect NATO firm planning for 1953. In fact he added — to the obvious disappointment of the other guests — that Washington would need from six to nine months more for this re-assessment (a view which incidentally he reaffirmed in Paris). The United Kingdom obviously found this news discouraging and somewhat mystifying and felt that they have not been given the real reasons which would justify such a delay.

At the luncheon Mr. Eden repeated what he had said to Mr. Robertson and to me earlier, that the current "recasting" of the United Kingdom defence programme would not likely save them much money, but it would make possible the more efficient use of the funds to be appropriated. This view was later confirmed by Lord Alexander and Sir Ian Jacob. It was agreed, however, though not with any enthusiasm, by both Mr. Eden and Lord Alexander that Draper was correct in assessing that the curve of NATO defence effort must still continue to move upward. I have my own doubts, however, whether the United Kingdom really accept this so far as their own effort is concerned, and these doubts were strengthened by the discussion Mr. Heeney and I had with Lord Alexander and Sir Ian Jacob after lunch the same afternoon.

This was an interesting discussion at which both Lord Alexander and Sir Ian Jacob, who did a good deal of the talking, argued that it would not be possible to agree on any realistic NATO programme for 1953 until the re-assessment referred to above had been received; any planning would be largely artificial which did not take into account the new weapons and strategy. Lord Alexander emphasized several times his conviction that "quality, not quantity" should be the objective in NATO planning for the defence of the West. He and Jacob both felt that it would be better to concentrate on having the 50 divisions for 1952 properly equipped, trained and supported, than to agree or plan for a larger number of which a proportion would only be "cardboard divisions".

There was a good deal of talk in this connection about the inadequacy of the equipment and logistic support for the existing divisions and about the importance of new weapons in NATO strategy and tactics. Both Lord Alexander and Jacob were pretty optimistic about the effectiveness of the strategic atomic counter-attack in the early stages of the battle for Europe and argued that this was an element in planning which had to be taken into account. They recognised, however, the American difficulty arising out of the MacMahon Act, and indeed out of other circumstances which made it impossible to have a satisfactory NATO appreciation made at the present time with all existing atomic information made available for that purpose.

In speaking of the technical advances being made and supporting his argument in favour of "quality", Lord Alexander indicated that the U.K.

Government regarded heavy anti-aircraft weapons as obsolescent and spoke of the early effectiveness to be expected of the guided missile. We should rely on these for passive defence.

I brought up the question of the minimum NATO force required for the defence of Western Europe. Jacob indicated, without any qualification, that 50 divisions effectively armed and supported was the maximum which the Western European economy (leaving Germany out) could support at the present time but that such a force plus the German divisions would be adequate for the purpose. That purpose was to hold off the attack while the air counter-offensive was operating. This seems to me to be a most important statement of United Kingdom policy and it will be interesting to discover whether they maintain it in NATO discussions when the Americans put forward, as they are bound to do, larger totals of divisions and aircraft for 1953.

I brought up the question of the advisability of the United Kingdom engaging in strategic atom bombing. Would it not be better for this country, now that it had actually manufactured a bomb, to divert its energy and resources to the development of atomic energy in other fields leaving the military side entirely to the United States? Certainly it would be difficult to understand the United Kingdom plea for economy in defence if they now began to undertake this most expensive form of military operation. Jacob however stated that the United Kingdom authorities felt that unless the United Kingdom participated in atomic air bombing, they would be unable to influence the use to be made of this weapon and the United States would neglect targets of vital importance to Britain, such as submarine bases, etc. It was a matter of national safety and not national prestige. The answer to this is, though I did not give it; why not approach the Americans to see whether agreement could not be reached on targets, etc., which would satisfy the special United Kingdom defence needs.

I mentioned to Lord Alexander and Jacob and, indeed, to others both in London and Paris our worries about a ministerial meeting of NATO in December in relation to the stage which the annual review was likely to reach by that time — the danger of "spotlighting the gaps" — and not having sufficient time to complete the process of reconciliation. I am not sure that this danger is fully appreciated by the U.K. Ministers. They are anxious to have a revision of the Lisbon planning goals based on a new appreciation, but it is difficult to see how this can be expected by December 15. The determining factor, however, seems to be United States political exigencies.

In Paris the subjects of NATO strategy and defence planning were discussed in a very interesting and frank manner at the informal NATO Council meeting on Tuesday, September 16, about which a separate report has been made. I also had the benefit of informal discussions on the same subjects with General Ridgway, General Bradley and General Gruenther at a luncheon given by Lord Ismay, though there was not time for anything more than casual exchanges of views.

It seemed quite clear on my visit to London and Paris that there is a very real difference of opinion between the United States representatives, especially the military representatives, on the one hand, and the European members of NATO on the other, as to the need for an even greater defence buildup in 1953 and the desirability at the next meeting of NATO Ministers of establishing firm goals for that year well in excess of the present 1952 figures. Reflecting this difference of opinion there is naturally a difference of opinion over the risk of war, whether it is now less than before. As was pointed out by Alphand in our NATO informal meeting unless there can be a general agreement on the assessment of this risk, there is not likely to be agreement on requirements to meet it. At the same time it is quite obvious that the approach to the problem of risk is influenced to a very considerable extent by economic factors; especially in European countries and by their own national position in collective strategic planning; that is whether they are likely to be immediate victims of an attack from land or from air and whether they are considered in Washington to be expendable.

I found in my discussion with the NATO members a strong and growing reluctance to support or even discuss NATO defence plans without much more information than has up to the present been made available regarding the strategy of the Pentagon both in regard to atomic warfare and European defence. It is impossible not to have some sympathy with this viewpoint. At the same time one should appreciate not only the normal reluctance of the military planners to put all their cards on a political table, but also their special reluctance to disclose their secret plans to governments whose security reputations vary. There is a real and an increasingly important dilemma here and it came into the open in our NATO discussions on Tuesday and Thursday; especially I should think, in the remarks of the Netherlands member. It was because the Secretary-General's paper on NATO strategy emphasized not only economic factors but the importance of giving the NATO Council all possible strategic information, that it was so heartily welcomed by the members of the Council other than the United States representative who obviously found himself in a difficult position.

There is also an increasing and an intelligent reluctance to agree, largely for American political consumption, on programmes and goals which are not likely to be reached, except in a very artificial way, in the time set. Surely it would be much better to take for our 1953 programme, as the first essential thing to do, the achievement of the 1952 objective; not achievement merely on paper but in fact. Once this has been done then additional firm goals could, if necessary, be decided and made public. This, of course, would not remove the necessity of planning further in advance than 12 months, but it would remove public attention from that necessity and relieve governments from the duty of explaining and defending the gaps between promises and performances. I argued this thesis with everybody I encountered over here and found a very general acceptance of it except in United States quarters. It is felt in such quarters that this course would be too dangerous because it would give the impression in the United States that we were abandoning goals which we had previously agreed on and indeed would encourage Europeans to relax rather than maintain the defence effort. There is, of course, something in this. Yet I feel that the two points of view can be reconciled. That, however, will not be done if we accept under American pressure at the December meeting paper figures as a substitute for what we really think can be done in the economic and political circumstances of 1953. We will have to face this matter soon and more frankly than we have done in the past. I hope that defence planning can proceed steadily and effectively without slavish adherence to unrealistic and publicly declared totals even though they are said to be "for planning purposes only." In this way we can get away from our dangerous practice of concentrating in public on gaps and comparative performances. I think we should explore this whole matter very carefully so that at the December meeting, while a great deal of time will have to be devoted to the Annual Review and there will have to be confidential discussion of force totals, etc., we might be able to confine our public announcement to the fact that we are pushing ahead with the Lisbon 1952 totals until they are completed and making certain that this completion is 100% effective; also that when this goal has been fully achieved further announcements will be made on subsequent programmes. Among other things, this would mean that by the time such further announcement is made we would have some necessary information from the United States on the "new strategy" and "new weapons".

So far as the risk of war is concerned, my visit confirmed my feeling that there is a general disposition in European quarters to feel that it has lessened during the last year or so; a feeling strengthened in the Council by Lord Ismay's paper's reference to this subject. There is recognition however that the situation has worsened in the Far East, though this does not convey the same feeling of immediate crisis to Europeans. There is a danger in this feeling of easement being carried too far; especially as it fits into the desire to reduce defence expenditures because of economic considerations. So the Americans — through their representatives at NATO and else where in Europe and their steady stream of visitors from Washington, especially from the Pentagon — keep pounding away at the thesis that the danger is just as great and as immediate as ever. They make some impression — and it is well that these things should be said — but at times the Americans say them in a way which strengthens the European feeling that there is just about as much to be feared from U.S. rashness as from Soviet aggression. Here the development of consultation and frank discussion in the Council, the strengthening of the prestige and authority of that body, can do much to help.

For this reason — and because of the growing importance of the Council in the planning of defence and broad strategy — it was encouraging to learn that this central agency of NATO after a shaky and somewhat discouraging start, is becoming stronger, better organized and more effective.

6e PARTIE/PART 6

CONSULTATION POLITIQUE
POLITICAL CONSULTATION

435. DEA/50115-J-40

Le représentant permanent par intérim
auprès du Conseil de l'Atlantique Nord
au secrétaire d'État aux Affaires extérieures

Acting Permanent Representative to the North Altantic Council
to Secretary of State for External Affairs

TELEGRAM 229 Paris, June 25, 1952

CONFIDENTIAL. IMPORTANT.

COUNCIL MEETING JUNE 25:
POLITICAL CONSULTATION

Addressed External No. 229; repeated Dominion London No. 437.

In the course of the discussion on the establishment of an information policy committee, the Norwegian representative mentioned that he had forwarded to the Secretary-General a confidential letter setting forth the views of the Norwegian Government on the desirability of setting up as soon as possible a political committee, and also on the political topics which now had to be discussed in Council. Ismay has circulated copies of Skaug's[22] letter to all delegations for preliminary consideration at the informal meeting to take place tomorrow, June 26. The substantial points in Skaug's letter, which clearly reflect the views of his Foreign Minister, are the following:

(i) The Norwegian Government feels that there is a certain lack of political "face" in the recent work of the Council and that while progress has been made to a certain extent on the military and economic fronts, political problems have been markedly absent from our agendas. At the same time the Norwegian Government has always been a strong proponent of the idea that the Council should be used as a forum for exchanges of views on political problems, which are not necessarily limited in scope to the NAT geographical area.

(ii) The Council to carry out its political tasks needs the assistance of a political working group which in collaboration with the Secretariat can prepare reports based on Council discussions, or itself initiate discussions on political problems, depending on the character and complexity of the problem involved. The Norwegian Government therefore favours the establishment of a political "working group" or "Committee" on which representation may have to change according to the subjects under discussion. Wherever desirable the permanent representatives themselves would participate, and in other cases the political counsellors of delegations.

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[22] Arne Skaug, représentant permanent de la Norvège auprès du Conseil de l'Atlantique Nord.
Arne Skaug, Permanent Representative of Norway on North Atlantic Council.

(iii) The work of the Council Deputies clearly proves the necessity of having a political working group. As the Norwegian representative puts it: "Political problems of major importance should clearly be raised and discussed in the first instance in the Council itself, (although the 'round-the-table' method practised in the Council Deputies should in our opinion not be continued). They should, however, be thrashed out in the political committee with a view to reaching the widest possible agreement among all 14 member countries — and the committee should draft reports for the Council. I would here like to stress that it is not so much the contents of such reports — they can hardly be sensational if they have to represent the agreed views of 14 governments — as the fact that 14 governments can agree to the points made in these reports, which give them their value. I can here refer to the Council Deputies' report on Soviet foreign policy. In other cases the topic may be taken up on the political committee's own initiative, e.g. with a view to bringing earlier reports up-to-date, concerning problems of more technical nature, etc. The chiefs of delegations will of course ensure that their subordinates do not embark or decide on matters which in their opinion should come before the Council."

(iv) Turning to the specific political topics which the Norwegian Government feels should now be discussed in NATO, Skaug's letter makes the following points: "The problem which most urgently needs to be placed on the Council agenda is the German question and the reply to the last Soviet note. The urgency is indicated by the fact that according to recent statements by government spokesmen in the United States and the United Kingdom, the reply to the Soviet note will be delivered at an early date. It is our view that since the signing of the contractual agreements with Western Germany, the EDC treaty and the NATO-EDC protocol, the German problem is now intimately linked with NATO. It is a matter which can no longer be regarded — even formally — as the exclusive concern of the Occupying Powers. Furthermore public opinion in our countries is vitally interested in the handling of this problem. The Norwegian Foreign Minister stated in the Norwegian Parliament on June 16th that it would leave a feeling of disquiet if another attempt were not made by the Western Powers to solve the German problem at the conference table, and he felt that public opinion in Norway would support him when he expressed the hope and desire that everything be done to make the German problem subject of another four-power discussion. Under these circumstances it is obvious that it would make a very favourable impression in Norway if my government were able to state publicly that all NATO members had been consulted on the contents of the reply to the Soviet note before it was finalized and delivered. At our meeting on June 19th I also mentioned that it might be useful to have a discussion in NATO of the situation in Morocco and Tunis. At the last United Nations Assembly the Norwegian delegation — although differing from the French view that United Nations was incompetent to deal with the question — took the position that the discussion on the Moroccan problem be postponed. This standpoint was based on the opinion that a discussion in United Nations at that stage might hamper and harm direct negotiations between the parties concerned. The reaction of public opinion was in my country, however, unfavourable to the position taken by the Norwegian delegation and both the Foreign Policy Committee of the Norwegian Parliament and the Foreign Minister himself in his speech mentioned above have stated that later developments have shown that the delegation was wrong when supporting postponement.

As regards Tunisia, the Norwegian delegation to the United Nations has been instructed eventually to support a motion that the Security Council reconsider its previous decision not to place the item on the agenda.

It seems therefore that there is a serious risk that at the next United Nations General Assembly there may appear a split in the NATO ranks on the Tunisian and Moroccan problems. However, this may be avoided if beforehand there have been confidential frank discussions within NATO. Thus a development which might prove harmful to the NATO cause could be avoided. There is no reason for me to hide the fact that a considerable public opinion in my country feels that NATO to some extent has turned into a 'colonial power-bloc.'

Other political topics which might usefully be discussed in the near future are the situation in Eastern Germany, the satellite countries and Yugoslavia. Reports on the conditions in these countries have already been made by the Council Deputies, but we feel that they should now be brought up-to-date — a process which should be established as continuous."

(v) On the general question of committee structure, the Norwegian representative takes issue with the Council's decision that the approach to the committee structure problem should be completely "empirical", arguing that there is a necessity for a general framework for the committees.

2. We should report to you that at the conclusion of today's meeting the Danish representative drew our attention privately to the fact that in the course of his recent visit to Copenhagen, the Danish Foreign Minister and Mr. Lange of Norway, who was also present, had agreed on the desirability of using the Council without further delay as a forum for consultation on the central questions of Germany and current Soviet tactics. So strong was their feeling on this subject, that, according to the Danish representative, his Foreign Minister and Mr. Lange are thinking very seriously of proposing a ministerial meeting of the Council, and we understand that a letter to this effect is going forward to you on this subject, directly from the Danish Foreign Minister. Steensen-Leth[23] has not yet raised this matter in the Council but he intends to discuss this suggestion informally with Ismay in the next day or two, and is clearly hoping for some support on our side. In indicating that he would endorse the Norwegian viewpoint on the need for political consultation, and particularly on

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[23] Vincens de Steensen-Leth, représentant permanent du Danemark auprès du Conseil de l'Atlantique Nord.
Vincens de Steensen-Leth, Permanent Representative of Denmark on North Atlantic Council.

Germany, Steensen-Leth made it abundantly clear however that he feels that Skaug's references to the Tunisian situation are ill-advised.

3. As you well know, we ourselves have continuously stressed the importance of the Council as a forum for political consultation, and I think therefore that we should give general support to the main argument of the Norwegian representative's paper. We should be grateful for guidance on the points which Skaug has raised and would be glad to be kept informed of any exchanges between Ottawa and Copenhagen on the subject of a possible ministerial meeting.

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436. DEA/50115-J-40

Le représentant permanent par intérim
auprès du Conseil de l'Atlantique Nord
au secrétaire d'État aux Affaires extérieures

Acting Permanent Representative to the North Atlantic Council
to Secretary of State for External Affairs

TELEGRAM 238 Paris, June 26, 1952

CONFIDENTIAL

INFORMAL COUNCIL MEETING, JUNE 26: POLITICAL DISCUSSIONS

There was a long and on the whole somewhat unsatisfactory discussion this morning on the basis of letter from Norwegian representative on the exchange of political views in the Council (my telegram No. 229 of June 25th). While opinions were very diversified as to the procedure to be followed concerning these discussions there was general agreement that the Council should now address itself to political questions as well as to the various problems arising out of the implementation of Article II.

2. As regards Tunisia which had been mentioned in the Norwegian representative's letter as a subject which might be discussed in the proposed Political Committee, it was argued by the Greek representative who received general support that the problem could only be dealt with by the Council on French initiative. It was felt that there should be no attempt to force a discussion of this subject against the wishes of the French Government.

3. There was unanimous agreement with the proposal made by the Norwegian representative that there should be an early exchange of views on Germany. The United Kingdom representative with the concurrence of his United States and French colleagues said that their respective governments had already been advised that there was a very reasonable interest in this problem within the Council and that they were prepared, providing the question of timing could be solved, to inform their colleagues as to the proposed tripartite draft reply to the latest Soviet communications on Germany and to receive their views at a meeting of the Council which might be convened on Saturday or possibly Sunday morning. United Kingdom representative made

the point however that three governments still had particular responsibilities in Germany and that meeting would not be for policy consultation but essentially to keep the Council informed of the discussions and the decisions reached in London.

4. As regards Article II we pointed out that while in our view it would be useful to follow through the preliminary work which had been undertaken by the Atlantic Community Committee, a start had already been made in setting up the NATO Information Policy Working Group and that some Article II matters like manpower problems were more related to the work of an economic rather than political agency. We emphasized and in this we had the support of the United Kingdom representative that consideration of Article II problems should permeate the work of the various Council agencies as a whole and that they were not of a kind which could easily be isolated and assigned to some specific body within the organization.

5. The great difficulty as regards procedure stemmed from the concern of some Council members that in setting up a permanent political committee, the Council would give up its initiative of drawing up the agenda of the problems that should be discussed. Various proposals, by Ismay to set up a working group, to isolate problems to which Council might apply itself, or by Draper to have political advisers in each delegation undertake preliminary work on items which might be assigned to them by Council, were discussed at length but no decision was made.

6. We suggested that procedure which had been evolved in Council Deputies for political discussions might be reviewed and that there was no need for an elaborate or complicated machinery. It was however impossible to reach a decision beyond that of having an exchange of views on Germany. I have a feeling however that though Council itself is the proper forum for political consultation, it will soon become evident that some preparatory work will have to be done by political officers within delegations in cooperation with Secretariat. Council will likely determine which issues should be brought up for discussion and then appoint ad hoc working parties to gather information and to present points for Council deliberation. United Kingdom, United States, Belgian, Portuguese, and Netherlands representatives appear to be in favour of some such arrangement.

7. In connection with proposed discussion on Germany are there any special observations you would like us to make on the assumption that draft reply is communicated to Council by tripartite representatives in advance of its publication.

437. DEA/50115-J-40

Le secrétaire d'État aux Affaires extérieures
au représentant permanent par intérim
auprès du Conseil de l'Atlantique Nord

Secretary of State for External Affairs
to Acting Permanent Representative to the North Atlantic Council

TELEGRAM 177 Ottawa, June 27, 1952

CONFIDENTIAL. IMPORTANT.

POLITICAL CONSULTATION

Reference: Your telegram No. 229 of June 25.

We welcome the Norwegian initiative in bringing before the Council the topic of political discussions, which are fundamental to our concept of NATO. This message will deal only with the general topic, leaving for another message the particular point of the Danish proposal that a ministerial meeting be held.

2. Let me say at the outset that I agree that we should give general support to the main argument in the Norwegian representative's paper and, in particular, we should support the suggestion that the German issue be discussed by the Council.

3. We are not however convinced that the establishment of a political committee is necessary or even desirable in achieving this aim. The Council itself would be the appropriate NATO forum for such discussions. The present difficulty in bringing political matters before the Council is not in our view caused by inadequate procedures. The real difficulty of course is what appears to be the increasing reluctance of the three great powers to hold such discussions in the North Atlantic Council. We could, however, express our understanding of the difficulties which this whole problem of consultation raises for the major powers. Theirs is the primary responsibility. They frequently have to take decisions with time limits attached. It is quite understandable that, after going through the sometimes arduous process of securing agreement among themselves, they shrink from repeating the proceeding in the North Atlantic Council. We also appreciate that in the midst of delicate negotiations like those going on at the present time on the nature of the reply to the Soviet note on Germany, they do not wish to expose any differences of opinion which might exist among themselves in the wider NATO forum.

4. We feel that our emphasis therefore should be placed not so much on the North Atlantic Council being given fuller information by the major powers as on the advantages to the United Kingdom, United States and France of consultation with the other NATO powers. These advantages seem to us to be of at least two kinds. In the first place, if other NATO members are able to express their views freely in informal sessions of the Council on these political questions and to put forward the special problems involved for them in tripartite decisions which affect NATO as a whole, it should put them in a

stronger position to face their own parliaments when these problems are under discussion. As the Norwegian representative has stated in his communication to the Council, it would make a favourable impression in Norway if his Government was able to state publicly that NATO members had been consulted about the contents of the reply to the Soviet note before it was finalized and delivered. The same general principle applies in other important political issues affecting the whole alliance. It is important in our view that the major NATO allies should understand that it is in their own long term interests to encourage such consultation which may assist their fellow members in the alliance to carry their own public opinion with them.

5. Secondly, the major members of the alliance may find that they can derive considerable benefit from consultation of this kind. Positive and constructive proposals should emerge from such a discussion. Political wisdom is after all not exclusively vested in the major powers.

6. Practically, we would see this proposal working somewhat in this way. Taking the Norwegian case on Germany as an example, the Norwegian representative would propose, in the Council, that the German issue be discussed at a subsequent meeting. He would bring out arguments such as those outlined in the first part of paragraph 4 of your telegram in order to demonstrate that the problem is one in which NATO is involved and that all members are, therefore, entitled to participate in a discussion. If the Council agrees, and this, in fact, would mean if the powers primarily concerned agree, the topic would appear on the agenda and they (the powers principally concerned) would be expected to make the opening statements.

7. We do not agree, however, that a political working group is necessary. The Norwegians are thinking of an agreed report recording some measure of unanimity. We see the important thing to be a frank discussion of the various points of view, not an agreed report, because it should be realized that it is most unlikely that major differences between the powers principally concerned would be reconciled at a Council meeting. A frank exchange of view would, however, undoubtedly be useful for all members interested. It might be that in some cases the members particularly concerned would seek to obtain Council agreement for a course of action which they propose and this would be most desirable, but this development should not normally be expected but we could foresee that in some cases an agreed course of action or an agreed report would emerge.

8. For these reasons, we do not favour the establishment of a standing political committee, although it might be necessary to form an ad hoc body on which members primarily concerned would be represented to help in the preparation of a summary of the discussions.

9. Rather along this same line, we do not favour the Norwegian suggestion that there be an agreed list of topics which might usefully be discussed in the future. There is much more chance of a valuable and realistic discussion of any problem if each one is introduced independently on the agenda. Where NATO countries, either collectively or individually, are able and willing to make some material contribution to the solution of a given problem or are, as in the case of

the German issue, inextricably bound up with its consequences, efforts should be directed at demonstrating that a full discussion of the particular question is desirable, having in mind the points mentioned in paragraphs 4 and 5 above. NATO members cannot expect an issue to be brought to the Council simply to provide an opportunity for responsible members to give information on their particular problems and perhaps to provide for gratuitous expression of opinion or a critical examination of their policies or plans by those who are not bearing the responsibility.

10. As the Danish representative remarked to you, Skaug's blunt reference to Tunisia in the Norwegian note seems ill-advised. The whole issue of future political consultation might be prejudiced if the impression were created that to agree to a discussion on Germany, for which a strong case can be made, would be to open the way to the discussion of every and any issue in disregard of the wishes of the member primarily responsible. This is not to be taken to mean that we think Tunisia should not be discussed in NATO — indeed, there is much to be gained by a frank exchange of views on that difficult issue. But to face the problem of political consultation on a broad front minimizes the chances of making progress — whereas a pragmatic approach, starting with the German issue, offers good chances of success. Discussion of the Tunisian issue could then be considered later — but as an independent question.

11. To sum up: (1)Every effort should be made to encourage political consultation in the Council; (2) we strongly support the proposal that the German issue be discussed by the North Atlantic Council; and (3) we do not favour the establishment of a political committee for the purpose of initiating or preparing political discussion but when occasion warrants we would not object to a political working group being assigned the task of preparing an agreed statement summarising the trend of the discussion in the Council.

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438. DEA/50115-J-40

Le secrétaire d'État aux Affaires extérieures
au représentant permanent auprès du Conseil de l'Atlantique Nord

Secretary of State for External Affairs
to Permanent Representative to the North Atlantic Council

TELEGRAM 183 Ottawa, June 30, 1952

CONFIDENTIAL. IMPORTANT.

DISCUSSION OF GERMANY IN THE COUNCIL

Reference: Your telegram No. 238 of June 26.

It now seems clear from your messages and from information from London and Washington that the three major powers plan to put before the Council the text of the reply to the Soviet note about twenty-four hours before it is to be delivered in Moscow. We are informed by Canada House that they have been told by the Foreign Office that:

"As to timing, it is hoped that any changes necessitated by Dr. Adenauer's consideration of the reply can be incorporated not later than the middle of next week. It is then intended that the text should be shown to a meeting of the North Atlantic Council in Paris approximately 24 hours before it is delivered in Moscow. Council members will not in fact be given an opportunity to alter the text, but in view of opinion expressed recently by the Norwegian representative and others that major political problems should be more fully aired in the Council, the Foreign Ministers considered it tactically wise to arrange this preview on an information basis."

Moreover, for your own information, we have learned that the State Department view with some apprehension what they describe as the tendency of smaller powers to introduce important and delicate matters at too early a stage for discussion in the North Atlantic Council and that they would have preferred that discussion of the German problem in the North Atlantic Council should await ratification of the EDC Treaty and the Contractual Arrangements. They are, however, prepared, in view of the wishes of the smaller countries, to give this advance notice of the text.

2. The discussion in the North Atlantic Council will inevitably be conditioned by the fact that the three major powers are unwilling to alter the text of the note in reply to the Soviet note on Germany as a result of any suggestions or criticisms put forward in the Council. The time element will also be a restrictive feature as there will be no opportunity for representatives to refer points to their Governments within the twenty-four hour time limit. This is hardly the kind of consultation which we had envisaged as appropriate in the North Atlantic Council. We think that in cases of this kind, where decisions involve their North Atlantic partners, the three major powers should discuss policy in general terms at an early stage in the proceedings. It was for this reason that we would have thought a meeting of Ministers in Paris at the time of the signature of the EDC documents valuable, as the German question would have been an important item on its agenda. After such general and preliminary discussion, the three major powers, who have prime responsibility in the German question, would, of course, have had responsibility for drafting replies to the Soviet notes. Moreover, in the last analysis, they would obviously have the determining voice as to what should or should not be included in the replies. Under such a procedure, the smaller powers would, however, have had an opportunity to put forward their views, and for the reasons indicated in my telegram No. 177 of June 27, we consider this would have been valuable to the major powers themselves and in accordance with the spirit of the North Atlantic Treaty. While we are glad that the three powers have agreed to put their reply to the latest Soviet note before the Council even at this late date, we cannot feel that this procedure fully takes the place of consultation. In speaking along these lines and in accordance with the suggestions contained in my telegram under reference, you might add that the Report of the Committee of Five has already made this point with regard to consultation and that at Lisbon the Council agreed that there was a "continuing need for effective consultation at an early stage on current political questions of common

concern." The Report of that Committee went on to say: "This is essential in order that national policies may be developed and action taken on the basis of an awareness of the attitudes and interests of all the members of NATO." In taking this line in the Council, you should make it quite clear that we are well aware of the difficult and delicate problems involved in consultation, particularly when decisions already represent a tripartite compromise. We do not wish to be unrealistic in our demands, nor do we wish our statement to have the character of a protest but rather of a constructive approach to the problem.

3. You should say that so far as the substantive issues connected with the German problem are concerned, we do not consider that in the circumstances indicated above, there would be much point in our enlarging, at this time, on our general views on Germany. On the specific question of the tripartite draft reply to the Soviet Government which will be before the Council, it seems to us to represent a skillful compromise and to be as satisfactory a document as could be expected.

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439. DEA/50115-J-40

Le représentant permanent par intérim
auprès du Conseil de l'Atlantique Nord
au secrétaire d'État aux Affaires extérieures

Acting Permanent Representative to the North Atlantic Council
to Secretary of State for External Affairs

TELEGRAM 290 Paris, July 9, 1952

CONFIDENTIAL

DISCUSSION IN COUNCIL OF TRIPARTITE REPLY TO SOVIET NOTE

Reference: Your telegram No. 183 of June 30th.

Addressed to Ottawa No. 290 repeated London No. 478.

1. Delegations were informed yesterday by the secretariat that the Secretary-General had been informed by the representatives of the three occupying powers in Germany that they would be in a position to inform the council of the proposed reply to the Soviet note with regard to Germany at today's regular meeting of the council. The text of the tripartite reply was circulated to the council as the first item of business. While I realize that you have been kept very fully informed of the progress of the discussions between the tripartite governments and more recently with the German Government, it may be useful to transmit to you the final text of the note which, according to Alphand, will be presented to the Soviet Government tomorrow and will be made public on July 11th. You will appreciate that until its publication the note is a secret document.

2. When the text of the note had been circulated on behalf of the tripartite governments, the Netherlands representative asked whether the note was in final form, or whether it was intended that there should be some discussion in

the council of the substance of the note. In reply Alphand made it quite clear that the note was in final form, and that no changes in the text could be accepted. In the light of this information, the Netherlands representative made a strong statement criticizing the tripartite governments for the way in which this whole matter had been handled, and for their failure to consult more fully and at an early stage with the NATO governments all of which had a vital interest in the German question and possible Soviet reactions. Similar statements were made by each of the NATO representatives present, with the exception of the representatives of France, the United States and the United Kingdom. Our own statement was based largely on your telegram under reference and on the background made available in your earlier telegram No. 171[24] of June 27th on the general subject of political consultation, with particular emphasis being made on the points in paragraph 2 of your telegram No. 183.

3. The striking element in this series of statements was the degree of unanimity which existed among the "non-occupying" NATO governments on the fact that this opportunity for consultation on the central political question of the time had been badly bungled by the three powers principally concerned.

4. In defence of the policy which the tripartite governments have pursued in this matter, Alphand, Draper and Roll[25] each made brief statements. Speaking for the French Government, Alphand stated that his government would like to see the fullest possible use of the council for the discussion and consideration of all questions of common political concern. The German question, however, presented special difficulties. From the legal point of view the tripartite powers and the Soviet Union had a special status in Germany which could not be abandoned until the transition had been made effective as between the occupation statute and the new contractual arrangements. Secondly, there was the practical difficulty that the preparation of this reply to the earlier Soviet note had taken a lengthy period to complete, and that it had not been possible to arrange in time for consultation on the wider basis. Draper echoed these views although indicating that the United States Government saw no reason why there should not be a general exchange of views on the policy problems involved even before the change in the legal status of Germany came about. He did however make a clear distinction between exchanges of views on broad lines of policy, which was a legitimate responsibility of the council (and?) the responsibility for the actual drafting of the notes and for determining what should and should not be included in them. (We had ourselves made a similar distinction in our own statement.) Draper also made the point that at any time individual NATO governments had been free to express their views to the tripartite governments on the basis of the information available to them. He also pointed out that at the time of signing the EDC arrangements the United

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[24] Il s'agit probablement du télégramme 177, document 437.
Probably Telegram 177, Document 437.

[25] Eric Roll, chef par intérim de la délégation du Royaume-Uni auprès du Conseil de l'Atlantique Nord.
Eric Roll, Deputy Head, Delegation of United Kingdom to North Atlantic Council.

States had favoured a ministerial meeting in the course of which the German question would have been discussed at an early stage. Roll, for the United Kingdom, stated that his government was determined to see that the council became an effective and major instrument for consultation on political questions of common concern, but he echoed the juridical and practical arguments made by Alphand.

5. In summing up, Ismay said that non-occupying NATO powers had been unanimous in their views and he admitted that he himself had felt concerned during these past weeks as to how the German question could come before council. Was it not up to any of the governments represented to (group corrupt) it at any time? The Netherlands representative, supported by his Norwegian colleague, pointed out that they had deliberately not raised this question earlier on the grounds that the initiative for raising it should be left to the tripartite governments. Van Starkenborgh[26] expressed the view that there were other outstanding questions such as the command structure in the Mediterranean and the Middle East which were over-ripe for discussion.

6. After further discussion it was agreed that when the reply to the Soviet note had been presented and when Soviet reactions became rather clearer, it would be entirely appropriate for the council, preferably at informal meeting, to exchange views on the German question as a whole.

7. It is to be hoped that the general expression of view in the council reported in the foregoing paragraphs will have a salutary effect in bringing forcibly to the attention of the tripartite governments the importance which we all attach [to] political consultation within the NATO framework, and particularly on the crucial question of Germany, and Soviet intentions.

For Ottawa only

8. My immediately following telegram† contains the text of the tripartite reply to the Soviet note which should be regarded as a secret document until its publication.

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[26] **Alidius W.L. Tjarda van Starkenborgh Stachouwer, représentant par intérim des Pays-Bas auprès du Conseil de l'Atlantique Nord.**
Alidius W.L. Tjarda van Starkenborgh Stachouwer, Deputy Representative of the Netherlands on North Atlantic Council.

440. DEA/50115-J-40

Le chargé d'affaires aux États-Unis
au secrétaire d'État aux Affaires extérieures

Chargé d'Affaires in United States
to Secretary of State for External Affairs

DESPATCH No. 1716 Washington, July 30, 1952

SECRET

POLITICAL DISCUSSION IN THE NORTH ATLANTIC COUNCIL

Reference: Our despatch No. 1658 of the 23rd of July.[†]

In paragraph 7 of Mr. Wrong's previous despatch, he reported that on the 23rd of July he raised the issue of political consultation in the North Atlantic Council with Mr. George Perkins, Assistant Secretary for European Affairs in the State Department. He also stated that a further discussion of this subject would take place later between Mr. LePan of this office and Mr. Parsons, Acting Director of the Bureau of European Regional Affairs in the State Department. This further discussion was held yesterday. A memorandum of the conversation is attached.

D.V. LE PAN
for Chargé d'Affaires

[PIÈCE JOINTE/ENCLOSURE]

Note du conseiller de l'ambassade aux États-Unis

Memorandum by Counsellor, Embassy in United States

SECRET Washington, July 30, 1952

On Tuesday, the 29th of July, I called on Mr. Parsons, Acting Director of the Bureau of European Regional Affairs in the State Department, to discuss political consultation within the North Atlantic Council. At Mr. Parsons' invitation, I began by outlining the Canadian position on this question as set forth in telegrams 177 of the 27th of June and 183 of the 30th of June from Ottawa to the Canadian Permanent Representative to the North Atlantic Council. Repeating some of the points which Mr. Heeney had no doubt made in his statement to the Council on the 9th of July, I explained why the Canadian authorities had not been satisfied by the procedure followed by the Three Powers before despatching their latest note to the Soviet Union on Germany; and I emphasized that, in cases of this kind where the decisions of the Three Powers involved their North Atlantic partners, the Canadian Government believed that they should discuss policy in general terms at an early stage. I then went on to detail the Canadian reactions to the proposals advanced by the Norwegian Representative in the Council for improving methods of political consultation.

2. Mr. Parsons confirmed that the widespread dissatisfaction that had been expressed in the Council at its meeting on the 9th of July had provided a

salutary jolt for the authorities in Washington. He said that Mr. Acheson had been very concerned by the reports he had received of the meeting, since he realized that, unless something were done to remove the reasons for dissatisfaction, the strength and cohesion of the whole North Atlantic alliance might be gradually sapped. The Secretary of State had given instructions that all aspects of this question should be studied as a matter of urgency with a view to laying recommendations before him for improvement.

3. Mr. Parsons said that those who had been working on this problem in the State Department had decided at an early stage that it would be wise to divide the question into two parts. Since a new Soviet note on Germany might arrive any day, it had been considered expedient to flake off the issue of what procedure should be followed in drafting a reply and to give separate and more rapid attention to that immediate issue. Mr. Parsons disclosed that a paper containing recommendations on this limited point had now been prepared in the State Department and would probably receive final approval today. For the most part, the paper accepted wholeheartedly the proposals which Mr. Parsons attributed to Mr. Heeney. On the receipt of a new Soviet note, the Three Powers would at once place before the Council accurate translations in English and French. They would then invite discussion in the Council on how the note should be answered, allowing enough time for Representatives to obtain the views of their own Governments. The Three Powers would then consult among themselves and also with Chancellor Adenauer and Mayor Reuter and, bearing in mind the views expressed in the Council, would prepare a draft. This draft would be shown to the Council before being despatched. Mr. Parsons said that as soon as these recommendations had been approved, they would be transmitted to the United States missions in North Atlantic capitals for presentation to other Governments. There was only one point, he thought, at which they varied in any way from the suggestions which he understood to have been made by Mr. Heeney. It was just conceivable that an occasion might arise when a Soviet communication to the Three Powers on Germany would require, and be capable of, an immediate reply. In such an unlikely event, the United States would not like the hands of the Three Powers to be tied by a prior obligation to consult with the Council. The recommendations, therefore, contained an escape clause which the Three Powers could take advantage of if, by any chance, it proved necessary and possible at any time in the future for them to return an immediate answer to a Soviet note on Germany.

4. Turning to the wider problem of how to increase political discussion within the Council, Mr. Parsons said the State Department agreed with the Canadian Government in regarding this process as fundamental to the North Atlantic alliance. He adduced a number of reasons for this conviction. None of them will be new to you; but it is perhaps not entirely without interest that he thought it worthwhile to restate them. The North Atlantic alliance, he said, should be more than a military pact; and, if it were to develop into a community, it was clearly essential that there should be discussion in the Council of political issues. This had become all the more necessary now that the European Defence Community was on the verge of becoming a reality. If

the E.D.C. were to be held firmly within the North Atlantic Community, concurrent efforts must be made to bring all the countries in the North Atlantic alliance more closely together. Finally, it was possible, he suggested, that in an emergency the United States might have to assume more overt and decisive leadership of the North Atlantic powers. It would be easier for the United States to assume such a position in a moment of crisis if confidence had previously been built up throughout the alliance as a result of political consultation in the Council.

5. As always, Mr. Parsons said, the problem was how this desirable objective was to be achieved; and he enquired whether we had any further precise suggestions. On the basis of paragraph 6 of telegram No. 177 of the 27th of June to our Permanent Representative to the Council, I indicated that in many cases we thought the proper course would be for one of the smaller powers to make a case in the Council that a particular problem was one in which NATO was involved and that therefore, there should be discussion of it in the Council. Mr. Parsons commented that such a mode of initiating discussion would in some cases, no doubt, be effective and satisfactory. He was inclined to doubt, however, whether it would serve adequately as the normal way to arrange political discussion in the Council, since one of its effects might be to make it appear that the larger powers were being pushed reluctantly into political discussion or were even being put in the dock before the Council. To this I replied that I assumed it would be quite satisfactory from our point of view if the United States or the United Kingdom or France were to take the initiative in suggesting political topics for discussion in the Council. Mr. Parsons replied that probably that method also would be appropriate in some cases. His air of perplexity, however, suggested that he was not entirely confident that either his own Government or the British or the French Government would, in practice, very often take initiative in suggesting topics for discussion unless they were subject to some mild spur — and, yet, he was anxious that the responsibility should not entirely rest with the smaller powers for pricking them into action. Speaking entirely personally, he said that he had been revolving two other alternatives. He wondered whether the responsibility for arranging political discussion in the Council might not be lodged primarily with the International Secretariat. This would give Lord Ismay and Signor Fenoalteo important work to do and might be expected gradually to increase the authority of the Secretariat. Another possibility might be that the Secretariat could be assisted in this function by a small rotating committee of not more than two or three members, on which there would always be one representative of the three major powers and at least one representative of the smaller powers. The Assistant Secretary-General for Political Affairs might perhaps be the Permanent Chairman. In this connection, Mr. Parsons reported that the United States Government had now agreed to make available to the International Secretariat Mr. Hugh Cumming, who is to act as the principal assistant to Signor Fenoalteo. Mr. Cumming is a foreign service officer of long experience, whose last appointment has been as counsellor at the United States Embassy in

Moscow. He is expected to take up his post in the International Secretariat in about six weeks' time.

6. Notwithstanding these procedural suggestions (which seem to me at least worthy of consideration), Mr. Parsons was on the whole disposed to agree that the present difficulty in bringing political matters before the Council is not caused by inadequate procedures. On the other hand, he gave the impression that the institution of some continuing procedure for bringing political matters before the Council might be beneficial because of the mild compulsion to which it would subject the three major powers. However, he said that the State Department could find no merit in the Norwegian suggestion for a Political Committee or a Political Working Group. Apart from other disadvantages, this suggestion would have the effect of draining power and prestige from the Permanent Representatives; and one of the present objectives of United States policy was to add to, rather than to decrease, the Council's authority. He said that the State Department had been rather disappointed with the recent evolution of the Council. Insofar as it was now concerned with matters of minor importance and was not discussing major political issues; it was failing to operate as the United States Government had hoped.

7. Mr. Parsons also was in complete agreement with our view that it would be inadvisable to try to agree in advance on a settled docket of political topics which the Council should discuss. Topics for consideration by the Council should be carefully selected, he thought; and this meant that a decision should be made on each possible topic separately.

8. A paper on the general question of how to promote political discussion in the Council is now being prepared in the State Department. But it is not so far advanced as the paper on the procedures to be followed in answering a new Soviet note on Germany. Mr. Parsons indicated that it might be another two or three weeks before the general paper would be ready for submission to the Secretary of State. If there are any further comments or suggestions which the Canadian authorities might like to make, Mr. Parsons said that the State Department would be very glad to receive them.

D.V. LePan

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441. DEA/50115-J-40

Le haut-commissaire au Royaume-Uni
au secrétaire d'État aux Affaires extérieures

High Commissioner in United Kingdom
to Secretary of State for External Affairs

Despatch No. 2880 London, July 31, 1952

Confidential

POLITICAL CONSULTATION IN THE NORTH ATLANTIC COUNCIL

You will recall the discussion on political consultation which took place in the North Atlantic Council in Paris on July 9th, when the reply which the

Governments of the three Occupying Powers proposed to send in answer to the Soviet Government's Note of May 24th was circulated to the Council.

2. Sir Stephen Holmes, of the Commonwealth Relations Office, has subsequently mentioned to me the concern which he said had been felt in the Foreign Office at the support which we gave to the general criticisms of the three Occupying Powers made by the other N.A.T. representatives in the course of the July 9th meeting. Officials of the Foreign Office were somewhat surprised that we should press for fuller consultation on a 14-Power basis on a subject on which, as you will have noted from our telegrams, the Foreign Office felt they had been pretty forthcoming and co-operative. There was also the general feeling reflected in the statements of the tripartite representatives in Paris on this occasion that the Occupying Powers have a special statutory responsibility for Germany, a responsibility which they could not readily share with all N.A.T. governments.

3. I thought it worth while to draw Holmes' attention to the precise statement which was made by our representative in Paris and which had been carefully based upon the views expressed particularly in your telegram to Paris No. 1311 of June 30th,[27] pointing out that our primary concern had been to emphasize that a general and preliminary discussion in the Council at an earlier stage would have been useful to all N.A.T. governments, including the three Powers principally concerned, and that in the light of such a general and preliminary discussion the three Powers would then exercise their special responsibilities in preparing the reply to the Soviet Note. I am enclosing, for your information, a copy of my letter of July 29th to Holmes, with which I attached the text of the remarks made by our representative in the Council on July 9th.†

4. I think that the Canadian statement is a reasonable one, and was no doubt necessary on that occasion. At the same time, you will wish to bear in mind the fact that U.K. officials have gone out of their way to provide us with full information on the progress of the German negotiations, as well as in other fields, and that they feel that round-table discussions on a 14-Power basis may not necessarily be the most effective method of consultation on sensitive and current topics. The process of developing political consultation within NATO will take some time, and while I think the aim of full consultation should be supported, you will wish to take into account the reactions in Whitehall to which I have referred.

5. I am sending a copy of this despatch to Mr. Heeney in Paris.

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[27] Voir le document 438./See Document 438.

442. DEA/50115-J-40

Le représentant permanent auprès du Conseil de l'Atlantique Nord au secrétaire d'État aux Affaires extérieures

Permanent Representative to the North Atlantic Council to Secretary of State for External Affairs

DESPATCH No. 635 Paris, August 7, 1952

CONFIDENTIAL

POLITICAL CONSULTATION IN THE NORTH ATLANTIC COUNCIL

Reference: Despatch No. 2880 of July 31, 1952, from the High Commissioner for Canada, London, England.

The Commonwealth Relations Office reaction to our statement on political consultation in the North Atlantic Council is most interesting. We are somewhat surprised, however, that Sir Stephen Holmes made no mention of the fact that our statement was the most moderate of those made on that occasion and the only one which made practical suggestions as to how we might deal with the problem.

2. I agree with Mr. Robertson that while we must continue to encourage the development of Council as a forum for political consultation, this is necessarily a long range and somewhat limited objective in view of the large membership of the Council, and we must bear in mind very carefully the repercussions in London of any line we may pursue in this connection within the Council. Perhaps when the question arises again we might attempt to impress upon our United Kingdom colleagues here that we are not urging discussion within the Council of problems of common interest because we ourselves feel that we lack information, but because we think that there are clear advantages from the point of view of strengthening the Alliance and incidentally from the U.K. point of view in ensuring that the smaller NATO countries have an adequate understanding of the policies of the major NATO partners, particularly when, on occasion, they are expected to support these policies within their respective parliaments. The more basic the policies to the Alliance the more important it seems to us the need for a full understanding by all concerned of their implications, background and objectives.

3. The unanimous and very vigorous reaction of the smaller partners, when the Tripartite reply to the Soviet Note was discussed in Council, should have given Whitehall some indication of how strongly they feel on the question of consultation and of the role that such consultations can play in strengthening the Organization.

4. The point raised by Mr. Robertson in his despatch is, however, a very important one and I am convinced that if the issue comes up again for discussion within the Council there should be the fullest possible consultation and understanding between our own and the U.K. Delegation so that there will not be any misinterpretation in Whitehall as regards any statement that we may make within the Council.

5. I am sending copy of this despatch to the High Commissioner for Canada in London.

A.F.W. PLUMPTRE
for Permanent Representative

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443. DEA/50115-J-40

Le sous-secrétaire d'État aux Affaires extérieures
au haut-commissariat au Royaume-Uni

Under-Secretary of State for External Affairs
to High Commission in United Kingdom

LETTER NO. D. 1671 Ottawa, August 11, 1952

CONFIDENTIAL

POLITICAL CONSULTATION IN THE NORTH ATLANTIC COUNCIL

Reference: Your 2880 of July 31.

You will have seen a copy of telegram No. 259 of August 12 to the Delegation in Paris telling them of the United States Embassy report of a revised State Department attitude on political consultation in NATO. As you will have noticed, the United States thinking has come around pretty much into line with our own and, although only future Soviet notes on Germany were mentioned as topics for discussion, we would hope that with this beginning the practice would be extended to cover other issues.

We are sorry to learn that the Foreign Office seem to feel that when we pressed for fuller consultation in NATO on the replies to the Soviet notes on Germany this was somehow a reflection on their co-operation in keeping us so well informed as the tripartite consultations on the reply proceeded. We have always welcomed and fully appreciated the forthcoming attitude of the Foreign Office in keeping us advised on questions in which they believe we would be interested, but we have never made any secret of our hope that it will be possible to develop in NATO a forum for general consultation and discussion of important issues. Such discussion would be a different matter from receiving information privately from one of the three occupying powers. Moreover, it has never been in our minds that such consultation, even if fully developed, should replace the comprehensive exchange of information with the U.K. which has always proved to be so valuable to us. As we see it, the two practices are complementary rather than mutually exclusive and we would hope that with the explanation you have given Sir Stephen Holmes our view will be understood.

We fully appreciate and share the U.K. feeling that fourteen power discussions on sensitive topics may not always be the most effective method of consultation. It is for this reason that we favour a pragmatic approach to the development of political consultation with NATO. As you will have seen from our telegrams to the Delegation, we do not favour the establishment of a standing political committee which would probably operate on the assumption that all political issues could appropriately be discussed in NATO. It seems preferable that each case should be treated separately as it arises in the hope that realistic decisions on what might usefully be discussed will promote a favourable disposition to accept NATO as a suitable forum for this kind of consultation.

L.D. WILGRESS

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444. DEA/50115-J-40

Le secrétaire d'État aux Affaires extérieures
au représentant permanent auprès du Conseil de l'Atlantique Nord

Secretary of State for External Affairs
to Permanent Representative to the North Atlantic Council

TELEGRAM 259[28] Ottawa, August 12, 1952

CONFIDENTIAL

POLITICAL DISCUSSIONS IN THE NORTH ATLANTIC COUNCIL

Reference: My telegram No. 248 of today's date.†

Bliss of the U.S. Embassy has informed us that an attitude is developing in the State Department in favour of consultation in the North Atlantic Council rather along the Canadian pattern. (see our tels. 177 and 183.)[29]

Bliss said that the U.S. are planning to discuss with the U.K. and France a proposal of adopting a definite practice in handling future Soviet notes. They will suggest that a translation of any note be given immediately to NATO Permanent Representatives whose comments would be invited at an early, informal meeting of the Council. This forum is preferred for well-known reasons. The United States would want it recognized that responsibility for drafting any reply would remain with the occupying powers.

Bliss did not say whether the United States proposal would extend to general political discussions or be limited to possible future Soviet notes on Germany.

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[28] Le télégramme porte la mention :/Noted in telegram:
Repeated to London 1549 and Washington EX-1684.

[29] Les documents 437 et 438./Documents 437 and 438.

445. DEA/50115-J-40

Le secrétaire d'État aux Affaires extérieures
au haut-commissaire au Royaume-Uni

Secretary of State for External Affairs
to High Commissioner in United Kingdom

TELEGRAM 1579 Ottawa, August 18, 1952

CONFIDENTIAL

POLITICAL CONSULTATION IN THE NORTH ATLANTIC COUNCIL

Reference: Our letter 1671 of August 11.

I have reviewed the recent correspondence on this question with particular reference to the United Kingdom reaction to our intervention in the Council and to Sir Stephen Holmes report described in your despatch No. 2880 of July 31st.

2. I think it would be as well for you to go over this matter with Sir Stephen again to make sure that our position is fully understood. I should like you to draw particularly to his attention the point made in our letter under reference that while the Canadian Government are most grateful for the information which we receive from the United Kingdom Government this cannot serve as a substitute for political consultation in the North Atlantic Council.

3. The Canadian Government attach importance to such consultation and it should not be considered that because we receive information from the United Kingdom Government, the usefulness of which is admitted beyond question, the Canadian Government should be required to take the same position as the United Kingdom on questions of interest to NATO such as Germany which may come before the Council for discussion.

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446. DEA/50115-J-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-2087 Washington, August 19, 1952

CONFIDENTIAL

POLITICAL DISCUSSIONS IN THE NORTH ATLANTIC COUNCIL

Reference: Your EX-1684 of August 12.

1. In a discussion with Parsons, acting director of the Bureau of European Regional Affairs in the State Department, we were given some further information on the attitude developed by the State Department in favor of political discussions in the North Atlantic Council.

2. As regards the handling of future exchanges of notes with the Soviet Government on Germany, Parsons repeated that the State Department was definitely in favor of the Canadian position with one slight reservation. They agreed that the permanent representatives in Paris should be given a translation of any Soviet note when received and be given an early opportunity to discuss it. However, it was necessary to provide for the possibility that the Soviet note might agree to a four-power meeting on Germany, in which case the circumstances might require a tripartite reply going forward without delay, seeking Soviet concurrence to a time and place of meeting. This is the kind of situation which Parsons suggested might have to be dealt with with a minimum delay in order to secure maximum political and psychological advantage for the Western powers and was implied in the reservation referred to in paragraph 3 of the memorandum of July 30 forwarded under cover of our despatch No. 1716 of July 30. Parsons said that the discussions with the United Kingdom and France on the proposal had revealed that the French wish to draw a clear distinction between "consultations" and "discussions". In their judgment, "consultations" implied discussions leading to conclusions and commitments binding the occupying powers. In order to ensure that the responsibilities of the occupying powers should remain unimpaired by the proposed procedure, they would prefer to regard the comments the NATO permanent representatives would be invited to make on the notes as a "discussion" rather than a "consultation". However, the State Department say that they expect to be able to obtain a common tripartite understanding of this aspect of the question of political discussions in the North Atlantic Council shortly.

3. As regards the wider problem of how to increase political discussion within the Council, Parsons said that the State Department were in the process of preparing a paper for the guidance of the United States permanent representative which would encourage such discussion. This guidance paper would consider such questions as:

(a) What questions might profitably be discussed in the NATO forum?

(b) How such discussion should take place?

(c) The role of the NATO Secretariat in originating themes for discussion and in contributing material to facilitate discussion. Parsons said that from the study which had been made of the question it seemed to him that there are practical difficulties in trying to lay down fixed general rules. It would probably be necessary to consider in each case how any specific subjects might most profitably be discussed by the permanent representatives. For instance, in the case of some questions, it might be clearly desirable to try to reach a meeting of minds on an agreed plan of action on the part of several members of NATO. In other cases, it might be sufficient to have a rather informal exchange of views; still in others, a briefing by representatives of the more directly interested parties (as, for instance, on the Middle East defence organization) would suffice. The absence of several senior officials in the State Department on vacation is obviously holding up the finalization of this paper. Parsons indicated, however, that he had discussed the whole problem with

Livingston Merchant during the latter's visit in Washington and had found general agreement on how to proceed.

447. DEA/50234-40

Le haut-commissaire au Royaume-Uni
au secrétaire d'État aux Affaires extérieures

High Commissioner in United Kingdom
to Secretary of State for External Affairs

TELEGRAM 1844 London, August 27, 1952

CONFIDENTIAL. IMMEDIATE.

Addressed Ottawa No. 1844 repeated to Canac Paris as No. 247.

We were informed by Hancock, of the Central Department of the Foreign Office, this afternoon that the Foreign Office at the official level have now agreed with the French and United States that discussion on the latest Soviet note on Germany should be invited at the informal meeting of the NATO Council being held in Paris tomorrow. Hancock explained that the official view still had to be confirmed by Mr. Eden, who is due in London this afternoon. He said that he was not 100 per cent sure that Mr. Eden would agree, but added that in the light of the agreement which had been reached with the State Department and the Quai d'Orsay it would be a source of acute embarrassment to them if Mr. Eden did not agree to discussion.

2. In explaining the United Kingdom attitude, Hancock said that the Foreign Office now in effect agreed with the State Department proposal for dealing with the Soviet reply (as outlined in Washington telegram 2087 of August 19, paragraph (2)). He said that up to the time of receiving the Soviet reply the Foreign Office had been reluctant to agree to the hypothetical proposal originally made by the State Department. It was now, however, doubly easy to agree as the three powers were in general agreement on the purport of the Soviet reply. In general terms, they regarded the reply as a re-hash of earlier positions taken by Moscow, and as not containing any proposals which were especially new.

3. The Foreign Office hoped that the discussion in the NATO Council would elicit the views of the members, and Hancock hoped that at least some of the representatives might be able to give their initial views tomorrow. We pointed out that we doubted whether this would be the case, especially since the Council, so far as we knew, were unaware that the three powers had agreed to discuss the Soviet reply. He agreed that this might be so, and suggested that the views of the various governments might be conveyed to the three powers when the permanent representatives in Paris had had a full opportunity of consulting their governments.

4. Hancock said he expected that after discussion in the Council the three powers would set about drafting a reply to the Soviet note and would consult Adenauer in the course of the drafting. We added that if this was to be the procedure we were sure that the three powers were wise in placing the matter

before the Council at an early stage as at least a number of the members of the Council would undoubtedly feel that they had as much interest in being consulted as Adenauer. Although Hancock did not demur on this proposition we gained the impression that he had some reservation about it.

5. Hancock thought that when the three powers had drafted their reply the draft would be put to the Council for final "discussion", but not in order to obtain corporate approval. In this connection he stressed that the three powers could not agree to impair their current responsibilities as occupying powers.

6. We understand that the Foreign Office are not yet in agreement with the State Department on the general question of how political discussions in the Council should be handled.

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448. DEA/50234-40

Le secrétaire d'État aux Affaires extérieures
à la délégation auprès du Conseil de l'Atlantique Nord

Secretary of State for External Affairs
to Delegation to the North Atlantic Council

TELEGRAM 288 Ottawa, August 27, 1952

CONFIDENTIAL. IMMEDIATE.

POLITICAL DISCUSSION IN THE COUNCIL; SOVIET NOTE ON GERMANY

Reference: Canada House telegram No. 1844 of August 27, repeated to you as No. 247.

While we are gratified to learn that agreement appears likely between the United States, United Kingdom and France on a discussion in the Council of the latest Soviet note on Germany, you will appreciate that it is virtually impossible for us to provide considered comments should the discussion be scheduled for the informal meeting tomorrow afternoon. I can only assume therefore that what is intended is an analysis of the note by the representatives of the recipient Governments, on which others can comment if they are prepared to do so, but that an opportunity will be provided at a subsequent meeting for further discussion. It would be helpful in this connection if tomorrow a definite date could be set for the later meeting. I assume that you will send us detailed report of the developments in NATO meeting in this connection.

449. DEA/50115-J-40

Le représentant permanent auprès du Conseil de l'Atlantique Nord
au secrétaire d'État aux Affaires extérieures

Permanent Representative to the North Atlantic Council
to Secretary of State for External Affairs

TELEGRAM 414 Paris, August 28, 1952

SECRET

INFORMAL COUNCIL MEETING AUGUST 28: GERMANY

Reference: Your telegram No. 288 of August 27, 1952.

There was a long and quite interesting discussion on this subject.

2. While most delegates expected that the exchange of views would be related to the latest Soviet note on Germany the representatives of the occupying powers took the view that this note should be examined in relation to the broader problem of Germany. They proceeded to outline the policy of their respective governments concerning the integration of Germany with the Western Community. They generally defined that policy in terms of the Washington tripartite declaration of September 1951. All three representatives and the French with particular insistence emphasized that, while they are prepared to welcome any views of other NATO countries on the German problem as a whole, or as regards the Soviet note, their Governments had to (retain?) the responsibility for drafting the reply; the Council was not a proper forum for deciding upon the terms of that reply.

3. The Netherlands delegate was not prepared for a discussion of the German problem as a whole but he improvised a very able contribution. He recalled that his government had from the outset taken the initiative of suggesting that Germany should be integrated with the West. Indeed, the Netherlands would have Germany taken into the NATO fold. As this last had not proved feasible, The Netherlands Government, after some hesitation, had accepted the EDC formula as the most likely to secure German military cooperation, an essential element to the safety of Europe. While the integration of Germany in fields other than that of defence is progressing, The Netherlands Government is concerned about the relationship between NATO and the development of the European Federation which will provide the framework for German cooperation. While in the military field NATO has been able to make progress, in other fields in the view of The Netherlands Government, little has been accomplished. As a result there is some concern in the Netherlands lest the Atlantic Community should lag behind in these fields and be too flimsy to envelop a progressively stronger and united Europe. The wish therefore of the Netherlands responsible authorities is that the Atlantic Community should develop on a broader front and thus contribute to the solution of controlling Germany. As regards the particular point at issue, Van Starkenborgh said that as long as Germany is divided there is bound to be unrest and difficulties which

will affect Holland in view of her close relations with that country. Furthermore, the security of Holland is threatened as long as the Slavs are on the Elbe. For these reasons, The Netherlands Government have followed closely the exchange of notes with the USSR concerning Germany and they hope in the end it may be possible to bring into the EDC a reunified Germany.

4. The Belgian representative made the point that while Belgium is part of the EDC her participation is based upon certain principles as regards the relations between Germany and the Western world. Belgium's concern over the exchange of notes and her desire to be informed stems legitimately from her wish to see that these principles are adhered to. Undoubtedly the Soviet attitude as expressed in these notes affects the German problem and in replying to these notes the occupying powers are also influencing the evolution of Germany. The Belgian Government wishes to be assured that the procedure to be followed and the replies given will not be incompatible with the principles which have determined their acceptance of the EDC arrangement and the schemes for integration in other fields.

5. The Greek representative stressed the need for quick action as regards the implementation of the EDC treaty. He argued that, now that agreement has been reached on the policy of integrating Germany within the EDC, there are clear advantages in proceeding quickly with ratification. In East Germany troops are being raised and equipped and unless action is taken soon to implement the treaty the balance of forces of Germany will not develop to our advantage.

6. I spoke briefly expressing our satisfaction that the three occupying powers had taken the initiative in introducing this important problem of Germany for discussion in the Council. I expressed agreement in particular with the view put forward by the Belgian delegate that although we had no desire to answer anyone else's mail, in these exchanges with the USSR over Germany, principles of general policy were involved and we were all concerned with the outcome as it would affect Germany's future. We hoped that an early opportunity might be given for a more deliberate council discussion of the German problem.

7. It was agreed that this had been a useful preliminary discussion and that the question of Germany should be discussed again at the next informal meeting (September 4). While it might be advisable to send a reply soon to the Soviet note there would be time for another and perhaps fuller discussion on the subject within the council before the reply were settled by the three powers.

8. Action required. We should appreciate receiving before September 4 your views as to any comments that you feel we might usefully make both on the German problem and in particular on the reply to the Soviet note.

450. DEA/50115-J-40

Le secrétaire d'État aux Affaires extérieures
à la délégation auprès du Conseil de l'Atlantique Nord

Secretary of State for External Affairs
to Delegation to the North Atlantic Council

TELEGRAM 293 Ottawa, August 29, 1952

SECRET

POLITICAL CONSULTATION IN THE NORTH ATLANTIC COUNCIL

Following from Under-Secretary, begins: Thomson, Deputy High Commissioner for the United Kingdom, left with me yesterday copy of CRO telegram Y.331 of August 27, which I am repeating to you in my immediately following telegram.† In the course of conversation, Thomson adhered to the traditional attitude of the United Kingdom on the general subject of political consultation in the North Atlantic Council without giving any indication of a more forthcoming attitude. His main remarks were addressed to the problem of Germany. He raised the familiar objections and said that the United States proposal that such consultation be held should be looked into with great caution as in the Foreign Office they considered it as "dangerous". While Thomson covered a lot of territory during this conversation, the main arguments he raised against consultation on the German problem were that:

(a) the Occupying Powers still had the ultimate responsibility in Germany and they alone should assume the responsibility of the drafting of replies and negotiations with the Soviet Government;

(b) that if the German question were raised for discussion in NATO, this would bring about a change in the relationship with the Soviet Union on German questions; and

(c) that if there were consultations with other NATO powers, their advice would at times have to be rejected and this would cause ill-feeling with the net result that the new procedure could do more harm than good.

2. I told Thomson that I was very familiar with the Foreign Office views on this whole question but that I did not share all their apprehensions. I fully agreed with him that the ultimate responsibility about Germany should remain in the hands of the Occupying Powers and that there was no intention, on our part at least, to have this modified. I added, however, that Germany as a problem was and would continue to be the most important one with which NATO was faced and that Germany as a region was the most exposed of NATO flanks. It was therefore normal that all the NATO partners should be concerned in the matter. I added that there was some strength in his arguments whereby the relationship with the Soviet Union on Germany should not be changed at this time but pointed out that it would be relatively easy to combine political discussions on Germany in the North Atlantic Council with negotiations by the Occupying Powers with the Soviet Union. I disagreed with him on (c) and said that according to my own experience, nothing could be

worse and could lead to more acrimony among the smaller NATO partners than to be left completely out of the picture and learn through the press of the answers given by the Occupying Powers to Soviet notes on Germany.

3. I took this opportunity also to point out that the United Kingdom Government must by now be aware of the general policy of building up the North Atlantic Council which the Canadian Government had been consistently pursuing for some time. Within this context, I said that we thought the Council should be used to much greater advantage than it is now in the political field. I added that this was a deliberate policy on our part and one which was not based on the fact that we were lacking information on Germany or other matters because, of the smaller NATO partners, we were probably better informed than any of them since our relations with London and Washington were so intimate. Ends.

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451. DEA/50234-40

Le secrétaire d'État aux Affaires extérieures
à la délégation auprès du Conseil de l'Atlantique Nord

Secretary of State for External Affairs
to Delegation to the North Atlantic Council

TELEGRAM 299 Ottawa, September 3, 1952

SECRET. IMMEDIATE.

POLITICAL DISCUSSION IN THE COUNCIL;
SOVIET NOTE ON GERMANY

Reference: Your telegram No. 414 of August 28.

Apart from expressing Canada's continuing interest in the German problem because of its bearing on the peace of Europe and the world, you need not, in our opinion, do more than say on the general question that Canada would like to see Germany peacefully united and free to join the West in a defensive alliance. You could also say that German integration in Western Europe has Canadian support provided that the price of German participation is not German dominance of Europe and the revival of Nazism. If you think it pertinent you might also point out that Canada doubts that a neutral Germany is a political possibility in the post-war world. We believe that every effort must continue to be made to reach a modus vivendi with the Russians over Germany but that in the meantime it is right to press ahead with the integration of West Germany into Western Europe.

2. It follows from the foregoing that we cannot take up a position of disagreement with the general line of the Western notes. I think, however, that you could properly emphasize Canadian hopes that a meeting will be possible between the Four Powers, that their reply to the recent Soviet note should not be long delayed and that it should, if at all possible, make positive proposals for a conference. You could, for example, introduce for discussion the proposal that the agenda for such a conference be widened to include at least a

preliminary consideration of the formation of an all-German Government and the preparation of the peace treaty while maintaining that free elections should be the first item.

3. Western insistence on awaiting the report of a commission of investigation is perhaps wearing rather thin and it might have a good effect on Western public opinion if the Allies were to be somewhat less rigid on this point. It would, moreover, be both more realistic and more plausible to allow for discussion going beyond what is but the first step, though admittedly the most important one, namely, free elections. You should, however, support the Allied insistence on the priority to be given to the question of free elections on the agenda. As to the Russian proposal that representatives of the two German Governments be associated with the discussions, we think it might be useful if there could be some discussion of the feasibility of the two German Governments being invited to attend as expert witnesses rather than as participants in the negotiations. This would follow the precedent of their attendance at the General Assembly when the question of the United Nations election commission was under discussion.

4. Finally you could stress once again Canada's agreement with the Western insistence on an all-German Government's freedom of choice to enter defensive alliances.

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452. DEA/50102-A-40

Extrait du télégramme du représentant permanent
auprès du Conseil de l'Atlantique Nord
au secrétaire d'État aux Affaires extérieures

Extract from Telegram from Permanent Representative
to the North Atlantic Council
to Secretary of State for External Affairs

TELEGRAM 436 Paris, September 4, 1952

SECRET

INFORMAL COUNCIL MEETING OF SEPTEMBER 4, 1952: GERMANY

Reference: My telegram No. 414 of August 28th, 1952.

Addressed External No. 436, repeated to London No. 547.

The discussion on Germany (with particular reference to the reply to the last Soviet note) was resumed. The Norwegian representative with the support of his colleagues from Denmark and Iceland made the following points:

(a) Their governments were glad that the initiative had been taken to discuss this problem in the Council; they hoped that these exchanges of views might be a turning point towards more active consultation in the future on matters of common political concern.

(b) While admitting a special position for the occupying powers, their government felt that, in adhering to the protocol to the NATO Treaty, they also had acquired a status in this matter as parties to arrangements for bringing about the integration of Germany and the West; and in recommending the ratification of the protocol, their governments had given an undertaking that all possibilities for a peaceful settlement of the German problem would be explored.

(c) In drafting a reply to the Soviet note, it was particularly important to convince the opposition in Western Germany, and also public opinion in the NATO countries, that the basis for an agreed settlement with the USSR over Germany did not exist, that the possibilities of negotiation had been exhausted, and that failure to reach a negotiated settlement did not rest with the west.

(d) It might be easier to meet opposition in the Western countries generally and particularly in Germany, if in the proposed agenda emphasis were placed on the conditions required for a free election rather than on the detailed set-up of the Commission of Investigation. If discussion were to extend to the freedom of the political parties, newspapers, trade unions, this might placate the opposition parties in West Germany and help to carry them along.

(e) If the opposition in Germany particularly could be convinced that the occupying powers had shown flexibility in their approach and that they had made every effort to solve the problem by negotiation, they might be less disposed to delay ratification of the EDC treaty and the contractual arrangements.

(f) It was still the view of these governments that membership in NATO for Germany was the logical consequence of her recognized status of equality; they realized, however, that for the time being this was not politically feasible.

2. The Netherlands representative expressed the view that it is not realistic to expect that a settlement would be reached with the USSR over Germany, particularly as a reunified Germany might now join the Western alliance as a result of the recent EDC and contractual arrangements. The feeling in the Hague was, nevertheless, that no abrupt answer should be returned and that the possibility of further exchanges should be retained. It was particularly important, in the view of the Netherlands' authorities, to emphasize in the reply that free elections in the whole of Germany were the essential basis for any settlement. The idea that representatives from the two parts of Germany might be associated with the peace treaty discussion was not acceptable. It could easily be shown to the Germans that two delegations or a split delegation to the peace discussion would only weaken the position of Germany and that the insistence of the West on free elections is in the best interests of Germany herself.

3. I spoke along the lines of your message No. 299 of September 3. The advance copy reached me only in the course of the discussion.

4. The Belgian representative suggested that the Western reply to the Soviet note should also endeavour to meet the point that, unlike the Western Powers, the USSR wished to unify Germany first and then leave her free to enter into defence and other arrangements if she wished.

5. The Greek representative referred again to the urgency of ratification and pointed out that the discussions over Germany had to be examined in the light of the wider problem of relations with the USSR generally. He felt that in view of the particular importance of Germany from the Soviet standpoint Soviet reactions had to be anticipated as a result of the integration of Germany with the West. These reactions might not necessarily have effect in Europe.

6. The United States of America, the United Kingdom and the French representatives reported on the initial reactions of their respective authorities. These are already well known to you and do not need elaboration here. They expressed gratification that all representatives seemed to be in agreement with the broad lines of the policy pursued so far and they undertook to report to the authorities concerned the views expressed in the course of the Council discussion.

7. The exchange of views on this subject proved to be the best that the Council have had so far on any major issue. It was also encouraging as regards the prospects of further political discussion in the Council. All are agreed that at this stage and for psychological reasons it is necessary to pursue negotiations with the USSR over Germany and to insist in any reply to the Soviet note upon the basic requirement of free elections throughout Germany. It was also considered by all particularly important that the Soviet tactics to upset the ratification debates should be countered effectively by providing every public proof in Germany that the west was ready to explore every possible prospect of a negotiated settlement but only upon terms compatible with the interest of Germany herself.

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453. DEA/50115-J-40

Le représentant permanent auprès du Conseil de l'Atlantique Nord
au secrétaire d'État aux Affaires extérieures

Permanent Representative to the North Atlantic Council
to Secretary of State for External Affairs

DESPATCH No. 850 Paris, September 10, 1952

CONFIDENTIAL

POLITICAL DISCUSSIONS IN THE NORTH ATLANTIC COUNCIL

Reference: Your telegram No. 277 of August 20.[30]

We find ourselves in agreement with the special procedure contemplated in the State Department for discussion of the Soviet Note, and with the lines of the State Department's thinking on political discussions generally in the

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[30] Notre copie du document porte l'annotation manuscrite suivante :
The following was written on this copy of the document:
Repeating WA-2087.[31]

[31] Voir le document 446./See Document 446.

Council. We should like, however, to make a few observations on some aspects of this problem.

2. First there is the question of who takes the initiative in suggesting a topic for discussion. It seems to us that, normally, and subject to certain qualifications indicated below, the initiative should be left to the country primarily concerned or to another country who can make a case that the problem is of interest to the Organization as a whole. If it is agreed that it is desirable to discuss such problems in the Council, the reluctance of representatives to suggest subjects for fear of causing embarrassment to certain others may diminish. Furthermore, the government primarily concerned, knowing that a matter may be brought up by others in any case, might prefer to take the initiative. Such a flexible arrangement based of course on the general acceptance of the desirability of political exchanges in the Council should produce results.

3. We do not think that the Secretariat, either on their own or assisted by a small committee, as suggested by Mr. Parsons (para 5 of despatch No. 1716 of July 30 from Washington), should take any direct initiative in regard to these discussions. No doubt the political division within the Secretariat will occasionally reach the conclusion that it would be desirable for a particular issue to be discussed in the Council. In such cases, however, it would be better, we think, for the Secretariat to suggest to the representative of the country primarily concerned (or even to that of some other country which might be interested) that the matter could be usefully discussed within the Council. The Secretariat should undoubtedly take some interest in promoting these discussions but we are not at all sure that they should be encouraged to take it upon themselves to raise these problems independently. This might cause difficulties between the Secretariat and some delegations if the issues were of a delicate nature, and might even weaken the organization.

4. In considering the question of initiative as regards political discussions one should, we think, have in mind the purposes which these discussions would serve. These may vary considerably and perhaps might be classified:

(a) There may be discussions which are merely "informational" in nature. Greece, for instance, reports to the Council on the progress of conversations with Yugoslavia as regards common defence problems. This is of particular interest to Italy and you will recall that Italy took the initiative in suggesting that the Greek delegate might provide such a report. The Greek representative did not object to such a request having been made by the Italians and it seems to us that it would have been quite possible for the Greek representative himself to take the initiative of suggesting that he might keep his colleagues informed of the conversations which have been going on between his country and Yugoslavia. These "discussions" consist in fact merely of a report by a member on some aspects of its policy which may be of interest to some other members, but they are generally in fields which are not of basic importance to the Alliance;

(b) A country may wish to have a particular problem discussed to obtain additional information and guidance concerning the policies of certain others.

The question of Tunisia may be a good example of this type of problem. Many NATO countries may have decisions to make in this regard at the U.N. Assembly and it would obviously be useful to them to have detailed information from the French on the subject. The idea is not necessarily that all NATO countries will develop a common line in the U.N. on this point but it is clear that in fields other than defence the members of the Alliance have an interest in developing their policy along lines that will be as close as possible. The question of Tunisia is, however, a sensitive one to the French and we think that the initiative in this regard should probably be left to the French representative. This, however, might not exclude the possibility that either the Secretariat or some other Delegation might suggest informally to the French that it might be in their own interest to explain fully to their NATO partners their policy concerning Tunisia. In such cases the formal initiative might be left to the country which is primarily concerned with the problem, although the other countries who are interested in it and the Secretariat may do some prodding behind the scene;

(c) Information may also be required on a subject not because all member countries are expected to take any particular line in relation thereto or to make a decision but because the subject is of great importance to them generally. The question of Trieste, of Germany, of the Middle-East defence organization are clearly of this type. Unless the NATO countries directly involved keep the others fully informed in regard to these subjects, the cohesion of the Alliance seems to me to be directly involved. The countries primarily concerned in these matters may not be likely, at least to begin with, to take the initiative of discussing them within the Council. As we indicated above, however, if we are agreed that important questions of common interest should be discussed within the Council and the smaller countries in the early stages show that they wish to have these discussions, that they are not only of interest to themselves and to the Alliance generally but also that they may not be without some advantages from the point of view of the countries concerned, there is no reason to believe that the prospect of having useful discussions within the Council as regards these questions should not improve gradually;

(d) Discussions will also be clearly desirable if a NATO country wishes its partners to support a given policy. The U.K. suggestion for a common line as between the NATO countries concerning the King of Egypt's title and Persian oil provides a good example of a type of subject which can only be dealt with if there is a Council discussion on it. In this case, we suppose there is no need to worry unduly as to who will take the initiative.

5. These examples show clearly, we think, that the need for discussions in the Council will vary with the importance and nature of the subjects and the aims to be achieved.

6. It is not easy to suggest any formal procedure for initiating such discussions. The real problem is often one of determining which subjects are suitable for discussion. No particular difficulties seem to arise as regards the kinds of topics referred to under (a) and (d) above. It is of great importance that there should be discussion as regards (c). The very fact that each member

of the alliance has a right to expect the assistance of the others if it is attacked places upon it, we think, the obligation to consult its partners about any policy which may result in a risk of conflict. The more basic the policy the more important it is for the Alliance that there should be full consultation. And as regards these problems, any country which takes the initiative of suggesting a discussion is promoting the common interest.

7. It cannot be denied that there has in the past been reluctance on the part of one or more countries to have discussions of the type referred to in (c) above. This reluctance has generally taken the form of an unwillingness on the part of one or more of the "big three" to open their minds frankly to the smaller powers collectively on issues of major policy. As we have suggested this unwillingness is likely in the long run to oppose the interest of the major powers themselves if only because it lets pass an opportunity to obtain whole-hearted support on the part of lesser powers for policies upon which the big three may have reached agreement. It seems to us possible that this fact may gradually be recognized by the major powers, and the recent shift of attitude on the part of the U.S. is very encouraging. We may hope that the U.K. will gradually alter its position as well. France is perhaps in a different situation. It may be considered that there are considerable advantages from the French point of view in extending the division between greater and lesser powers recognized in the establishment of the Standing Group. The "big three" concept on occasion permits France to persuade the U.S. and U.K. to accept its position on a particular problem and then to have that position accepted by NATO as a whole by virtue of the tripartite agreement. Full and frank discussion among all fourteen NATO members of such problems would reduce France's opportunity to exploit the predominant weight given to a plan upon which the three countries may have reached prior agreement.

8. The problem relating to discussions of the type referred to in (b) is very different. It seems to us that, when one country is primarily concerned and the issue has serious domestic implications for that one country, it should be left free to take the initiative itself in calling for a discussion. Overt pressure on the part of other members in such a case is bound to create difficulties. This does not apply to the same extent in cases where the issue is not so much a matter for one country as a question of a special tripartite position, and in the latter case we see no reason why the smaller powers should not tactfully but firmly stress the advantages of frank discussion. Fortunately, at present, there seems to be no reluctance on the part of the smaller powers to act in this way.

9. It is also a matter of some importance to reach an understanding as to how these discussions will be carried out. We did not particularly like the U.K. Delegation's handling of its report on the Egyptian and Persian situations, nor indeed was it very effective for the U.K. themselves. What started as a proposal for an exchange of views on these subjects ended up with a short and dry statement urging the other NATO countries to support U.K. policy on certain specific points. It was perhaps natural on the part of the U.K. delegation to make these requests but I feel that they might well have been

accompanied by a fuller and more complete analysis of developments in these two countries.

10. Already, a procedure concerning these political discussions seems to be emerging. When the case of Germany arose in the Council, in connection with the latest Soviet Note, the representatives of the three occupying powers made a general statement on the policy of their respective countries as regards Germany and they expressed their willingness to report to the authorities concerned any comments which their colleagues wanted to make both on the general problem involved and on the particular difficulties raised by the Soviet Note. The representatives of the smaller countries were given time to consult their Governments and when the discussion was resumed, at a subsequent meeting, it provided, in my opinion, a real opportunity for an interesting and useful exchange of views. This procedure seems to be the right one; otherwise what is referred to now as "political discussion" will be limited to flat, formal and most incomplete statements of the views of a particular country on a given subject on which, under pressure from other members, it felt it had to say something. What is needed really is an exchange of views, a meeting of minds, a pooling of information on the subjects which are considered suitable for discussion.

11. The above suggestions merely supplement those outlined in your telegram under reference and in despatch No. 1716[32] of July 30 for dealing with this problem. We hope very much that the State Department will be able to convince the Foreign Office and the Quai d'Orsay in particular that such a procedure is desirable and that its adoption will be likely to have a favourable effect in particular on the development of the authority and effectiveness of the Council.

12. If you agree with these views you might wish us to discuss them informally with the U.K. and U.S. delegations and also possibly with the Secretariat.

13. I am sending a copy of this despatch to the Office of the High Commissioner for Canada in London.

A.F.W. PLUMPTRE
for Permanent Representative

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[32] Voir le document 440./See Document 440.

454. DEA/50102 A-40

Le haut-commissaire au Royaume-Uni
au secrétaire d'État aux Affaires extérieures

High Commissioner in United Kingdom
to Secretary of State for External Affairs

TELEGRAM 1941 London, September 13, 1952

SECRET

GENERAL POLITICAL DISCUSSIONS IN THE NORTH ATLANTIC COUNCIL

Following from the Minister for the Under-Secretary, Begins: I have found Eden quite forthcoming about the value of general political discussions in the North Atlantic Council. He thought last week's discussions on the latest Soviet note had been helpful and did not reflect any of the opposition to such political discussions in the NATO Council which had been voiced by the Foreign Office. At luncheon when the matter came up again I re-emphasized the value of these talks and was supported by Draper and even Hoyer Millar. Eden again agreed and only Pierson-Dixon seemed to demur. I suspect he is one main source of the antagonism to them in London but certainly his Minister did not agree with his point of view yesterday. Ends.

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455. DEA/50115-J-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-2542 Washington, October 25, 1952

CONFIDENTIAL

POLITICAL DISCUSSIONS IN THE NORTH ATLANTIC COUNCIL

Reference: Your letter D-1610 of October 20, 1952.[33]

We have had an opportunity of discussing further with Parsons the present State Department position with respect to political discussions in the North Atlantic Council.

2. The guidance paper referred to in my WA-2087 of August 19 has now been sent for comments to the United States Delegation in Paris as well as to United States missions in NATO countries. The primary object of the paper, which contains only the preliminary views of the State Department was to suggest appropriate methods for promoting foreign policy discussion in the Council. It also set out areas in which the State Department would consider

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[33] Voir le document 453 , la lettre D-1610 comprenait une copie de la présente dépêche.
See Document 453; Letter D-1610 enclosed a copy of this despatch.

discussion to be unprofitable and perhaps dangerous. While no specific categories of subjects were suggested as unfit for Council consideration, it was considered that certain subjects concerning activities outside the NATO area should be scrutinized most carefully. There is, I think, a real fear in Washington that a broadening of the area of discussion would excite anxieties in, for example, Asian countries which are apt to regard any attention given by NATO to other regions with some suspicion. Political discussion in the Council would help to develop a habit among NATO countries of acting together on problems of major importance; but it should also be recognized that the level of discussion in the 14-nation group would probably have to be adjusted to the lowest common denominator. Incidentally, we understand that the Dutch have expressed some concern that foreign policy discussion in NATO would limit the scope of Foreign Office-Embassy relations.

3. With respect to procedures, the State Department are opposed to the Norwegian suggestion that a political sub-committee should be established. This, they believe, might result in the *de facto* establishment of another group of "Council Deputies". The State Department are inclined to the opinion that the Assistant Secretary General for Political Affairs of NATO should be responsible for recommending topics for political discussion to the Council (the Secretariat being less likely to put forward irresponsible suggestions). This would not exclude an interested country from suggesting in the Council that the discussion of a certain political subject would be useful, in which event it would be normal for the Council to refer the suggestion to the Secretary General for staff consideration. In the case of subjects suggested to the Assistant Secretary General for consideration (or subjects which the Assistant Secretary General himself originates) it would be customary to sound out delegations and to obtain their views as to whether the subject could profitably be discussed. In this respect the "buffer" role of the international staff is considered to be of some importance. The Assistant Secretary-General would also consider topics from the standpoint of importance and timeliness and from the standpoint of the substantive contribution which delegations might be expected to make. In recommending to the Council subjects for discussion, the views of the more interested delegations would be given special consideration. As a specific document would be likely to stimulate discussions, in some cases an international staff paper might be prepared. A paper prepared by the international staff would have at least one major advantage over a national study — all countries would have less inhibitions during the discussion. On the other hand, the disadvantages of an international staff paper would include a danger of formalizing the discussion, the risk of leaks, the scanty resources of staff and the time factor.

4. On the whole, the reactions from the United States delegation in Paris to the State Department paper have been highly favourable, but owing to the shortage of staff adequate consideration in Paris has not been possible. It is expected that when a more formal United States position has been reached, and after informal discussion with other delegations, it will be presented to the Council for consideration.

456. DEA/50115-J-40

Le sous-secrétaire d'État aux Affaires extérieures
au représentant permanent auprès du Conseil de l'Atlantique Nord

Under-Secretary of State for External Affairs
to Permanent Representative to the North Atlantic Council

LETTER No. 267 Ottawa, November 4, 1952

CONFIDENTIAL

POLITICAL DISCUSSIONS IN THE NORTH ATLANTIC COUNCIL

Reference: Our Letter No. 435, October 20, 1952.†

We have been greatly interested by your thorough analysis of the problem of political discussions in the North Atlantic Council as set forth in your despatch No. 850 of September 10 which has been discussed in the Department, together with the former procedure of the Deputies to which we referred in our telegram of October 20 (D-D(51)92(Final) of April 30, 1951) and the tentative State Department proposals outlined in WA-2542 of October 25, a copy of which has been referred to you. Meanwhile we have also obtained from the United States Embassy here the text of a State Department telegram of September 19 to Paris which sets out more completely the original American proposal, and which we assume to be the guidance paper referred to in paragraph 3 of WA-2087 of October 19.[34] A copy of this State Department telegram is attached for your information.† We should welcome your further comments on this guidance paper and on the possibilities of adapting to present circumstances in the Council the former procedure agreed to in the Deputies.

2. The American proposal strikes us as more flexible than originally appeared from WA-2087, and you may find that it meets some of your objections. It is now evident that there was no intention of precluding national delegations from introducing subjects to the Council whenever they so wish. There is some merit, however, in the suggestion that the Secretariat could maintain a continuing responsibility for putting forward subjects for political discussions in the Council, and there might be definite advantages from the point of view of orderly discussion and the provision of adequate time for Governments to submit their comments if the Secretariat could on occasion undertake the preparation of the initial background material. A further consideration is that the Secretariat should be given important work to do.

3. Our tentative reaction is to doubt the merit of the American suggestion regarding the establishment of a rotating advisory panel from permanent delegations. It would presumably in any case be the duty of the Secretariat to discuss with permanent delegations the timeliness, appropriateness, and so on, of the subjects that it wished to propose for the Council's agenda. Should any delegation want to raise a political question for discussion in the Council there

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[34] La date exacte est le 19 août ; document 446.
The correct date is August 19; Document 446.

need, in our opinion, be no cut and dried procedure calling for the referral of the proposal to the Secretariat. Nevertheless, it would frequently be useful to do this, since the interval would provide an opportunity for informal consideration of the advisability of the discussion of a specific topic before the decision is made by the Council itself. We agree with you when you say (paragraph 8) that there should not be overt pressure by member countries on any one country to have a particular subject discussed when that country is primarily concerned and the issue has serious domestic implications.

4. Another consideration to bear in mind in assessing the American proposal is the fact that the United States, alone among the Big Three, has been anxious to forward the idea of political discussions in the Council. We note that you yourself have recognized that the shift of attitude on the part of the United States is very encouraging (your paragraph 7). Because of the helpful United States attitude, it might be desirable for us to go some distance in accepting United States views on procedure.

5. The foregoing does not represent our final thinking and we should be glad to have your views when you have had time to consider the enclosed State Department telegram and this letter.

6. You are, of course, in a better position than we are to assess the various procedural aspects of the problem and it might be useful for you to discuss the whole matter informally with the United States and United Kingdom delegations without taking any firm line at this stage.

C.S.A. RITCHIE
for Under-Secretary of State
for External Affairs

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457. DEA/50115-J-40

Le représentant permanent auprès du Conseil de l'Atlantique Nord au secrétaire d'État aux Affaires extérieures

Permanent Representative to the North Atlantic Council to Secretary of State for External Affairs

DESPATCH No. 1527 Paris, November 17, 1952

CONFIDENTIAL

POLITICAL DISCUSSIONS IN THE NORTH ATLANTIC COUNCIL

Reference: Your letter No. 267 of November 4, 1952.

We have considered your letter under reference and the State Department's telegram of September 19 outlining that Department's views on this subject.

2. In our opinion, two main points remain for discussion: (a) the role of the NATO Secretariat in originating subjects for discussion; (b) the procedure to be followed for such discussions. We propose to comment on these two points in this despatch.

3. As regards the first point, the State Department suggest that the Assistant Secretary General for Political Affairs might be given special responsibility for the selection of problems for Council discussion. It is also suggested that he might be assisted by a rotating advisory panel. We fully share your reservations concerning this latter proposal. As to the former, we are inclined to think that it would be preferable not to assign special responsibility in such a delicate and important field to an assistant secretary general. The arrangement should be more flexible, as for the other major fields of activites of the Organization: economic, production, etc.

In some cases, the Secretariat could usefully and properly take the initiative, but delegations should in no way be precluded from suggesting themselves that the Council consider particular problems. A number of delegations would not be prepared to give a Secretariat official anything approaching a right of veto over any proposals they themselves might have for Council discussion in the political field. We agree, however, that the official in question might well be given the task of considering what items might usefully be discussed and, whenever appropriate, of making proposals just as the other assistant secretaries do in their respective fields. This, we think, is as far as we should go for the time being. If the Assistant Secretary-General for Political Affairs is a man of initiative and judgment and, more important perhaps, if member governments are genuinely willing to facilitate political discussion he should have, under such an arrangement, a good deal of influence in developing this aspect of the Council's work.

Another feature of the problem is the relative coolness of certain U.K. and French officials though there have been signs lately of some change of attitude. From their standpoint the suggestion that a NATO official alone or in association with an advisory panel might propose discussion of a particular subject, is unlikely to commend itself even if the tests suggested in paragraph 3 of Section 5 of the State Department's telegram are applied.[35]

4. Concerning point (b), we think that the procedure adopted by the Deputies could be amended easily enough to meet present circumstances, once agreement is reached on a few underlying questions of policy.

First, there is the question whether a preparatory paper is to be drafted by the Secretariat alone or by the Secretariat with the assistance of a working group on which all or a few delegations are represented. In our opinion, this should be left open. In each case, when a discussion is decided upon, the Council might consider how best the discussion should be prepared. It may not always be possible for the Secretariat to provide a suitable basis for discussion. In the case of Tunisia for instance, if France were to agree that a discussion would be useful, it would really be up to the French Delegation to prepare on this subject a statement or a paper.

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[35] Les facteurs en cause comprenaient l'importance de la question, son opportunité, la priorité à lui accorder par rapport à d'autres sujets, et l'aptitude des membres à apporter une contribution valable aux discussions. On tiendrait compte des vues des membres les plus directement concernés.

These were importance, timeliness, priority relative to other issues, and members' ability to contribute to the discussion. Due weight would be given to the views of members most directly affected.

Then, the problem arises whether the discussion should take place at a formal or at an informal meeting of the Council. These informal meetings were not held by the Deputies and in their telegram the State Department seem to suggest that, for security reasons, it might be preferable to have political discussions at such restricted meetings. We feel that, in this matter also, the procedure should be left open. In some cases countries may wish to have a record of the discussion and the item might then be placed on the agenda for a regular meeting of the Council. In such cases, the arrangement suggested in the procedure agreed by the Deputies would be quite suitable. In other cases, when the problem is to be discussed at an informal meeting and no records kept there would be no question of approval of the minutes or of any commitments being made. In this field, only experience can show how such problems can best be handled. Perhaps, in cases where it is desired to develop a joint policy, countries will prefer the more formal procedure. When it is merely a question of informing other countries of the motives underlying a particular policy, the informal approach may be quite adequate.

5. We propose to discuss these two points informally with officials of the United Kingdom and of the United States Delegations. We shall not fail to report on the outcome of our conversations.

A.D.P. HEENEY

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458. DEA/50115-J-40

Le représentant permanent auprès du Conseil de l'Atlantique Nord au secrétaire d'État aux Affaires extérieures

Permanent Representative to the North Atlantic Council to Secretary of State for External Affairs

DESPATCH No. 1566 Paris, November 19, 1952

CONFIDENTIAL

POLITICAL DISCUSSIONS IN THE NORTH ATLANTIC COUNCIL

Reference: Our despatch No. 1527 of November 17.

As you suggested in your letter No. 267 of November 4, 1952, we have discussed informally with the United States and United Kingdom Delegations the two points mentioned in our despatch under reference.

2. Insofar as we have been able to gather in our preliminary discussion, the officials concerned in the two Delegations agreed with our views as regards the procedure adopted by the Deputies. In some cases, where it is desirable to have a subject discussed at a formal meeting of the Council and a record of the discussion might be useful, they felt that some elements of the London procedure might be adapted to meet present circumstances. On the whole, however, they were inclined to consider that there was no need to submit such an arrangement to the Council for formal approval: it might be sufficient for

the Chairman merely to raise the points when it was agreed to have a discussion on a particular subject, whether the matter would be dealt with at a formal or at an informal meeting of the Council, whether a preparatory paper was required and who should draft it. In fact, the United Kingdom official said that the Foreign Office had never liked very much the procedure adopted by the Deputies and that it was unlikely that they would agree to anything which was so rigid and formal.

3. There is some difference of views between the two Delegations concerning the role which the Secretariat might play in suggesting subjects for discussion. The United Kingdom official favours a very flexible scheme more or less as we suggest in our despatch under reference: NATO countries should not consider that discussions in the Council can be an alternative or a substitute to bilateral conversations; in some cases, particularly when agreement had been reached between Standing Group countries, discussions in the Council which tended to suggest basic revisions might involve regrettable delays and difficulties.

The United States official with whom we discussed this particular aspect of the problem, Mr. G. Burke Elbrick, pointed out that under the procedure outlined in the State Department message of September 19, the Standing Group countries need not fear embarrassment as Fenoaltea would not recommend a Council discussion on a given subject before consultation with the country concerned as to the desirability of such a discussion. Similarly, the smaller NATO countries need not be unduly worried as to Fenoaltea's right of veto as in any case, in due course, he has to report to Council where these countries can object to his recommendations and secure majority support for their views.

In our opinion, Elbrick minimizes the difficulties involved on both sides: in the course of the discussion, he agreed, however, that it might be advisable, in making the proposal to the Council, to present the new task to be assigned to Fenoaltea as being in line with that of other assistant secretaries general in their respective fields and with as little emphasis as possible on its procedural or formal aspects. We made the point that this approach was likely to commend itself more particularly to the United Kingdom authorities.

4. We are convinced that the non-Standing Group countries will dislike any arrangement which will even appear to restrict their right to propose a Council discussion on any political topic and that a proposal along the lines suggested by the State Department will have an unfortunate effect on the prospects of developing political consultation within the Council.

5. Elbrick made two remarks which may be of particular interest:

(a) He said that the subject of political discussions in the Council might be raised at the forthcoming Ministerial Meeting. We replied that we had not envisaged a discussion on this broad subject and that we had no indication as to your views on the matter.

(b) He enquired whether we had considered suggesting ourselves to the Council the general procedure for political consultation which the U.S. authorities have discussed with us: in view of our interest in cooperation under

Article 2, and our general position in NATO, an approach by Canada might be well received. We answered that in view of our special arrangements with the United Kingdom as regards the exchange of political information, it might be difficult for us to take the initiative in this matter without implying that we were not altogether satisfied with the present system for consultation with the United Kingdom. Elbrick added that perhaps the United States and Canada might both approach the United Kingdom and reach agreement as to how the proposal under reference might be submitted to the Council.

6. As you will note, the United Kingdom and the United States Delegations do not quite see eye to eye in this matter. Unless the State Department can be persuaded to soften somewhat their proposals, not only are they unlikely to be well received by France and the United Kingdom but they may raise special difficulties for us in relation to the latter country particularly if the United States suggest that we associate with them in sponsoring these proposals.

A.D.P. HEENEY

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459. DEA/50102-C-40

Extrait du télégramme du représentant permanent
auprès du Conseil de l'Atlantique Nord
au secrétaire d'État aux Affaires extérieures

Extract from Telegram
from Permanent Representative to the North Atlantic Council
to Secretary of State for External Affairs

TELEGRAM 682 Paris, November 26, 1952

SECRET

AGENDA FOR MINISTERIAL MEETING

Reference: Your telegram No. 512 of November 16.

. . .

If the Americans make the suggestion that there might be an item on political discussions in the Council, we propose to express the view that this would be premature.

. . .

460. DEA/50102-C-40

Extrait du télégramme du secrétaire d'État aux Affaires extérieures au représentant permanent auprès du Conseil de l'Atlantique Nord

Extract from Telegram from Secretary of State for External Affairs to Permanent Representative to the North Atlantic Council

TELEGRAM 553 Ottawa, November 27, 1952

SECRET. IMMEDIATE.

AGENDA FOR MINISTERIAL MEETING

Reference: Your telegram No. 682 of November 26, 1952.

. . .

6. We are in complete agreement with your view that it would be premature to re-open in the Council at the December Ministerial Meeting the question of the technique of discussing political topics.

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7e PARTIE/PART 7

FRANCE : TRANSFERT DE L'AIDE MUTUELLE À L'INDOCHINE
FRANCE: DIVERSION OF MUTUAL AID TO INDOCHINA

461. PCO

Le sous-ministre de la Défense nationale au secrétaire du Cabinet

Deputy Minister of National Defence to Secretary to Cabinet

CONFIDENTIAL Ottawa, July 23, 1952

Dear Mr. Pickersgill:

As part of last year's Mutual Aid programme, the following equipment, *inter alia*, was allocated by the Canadian Government to France:

(a) 72 Equipment, Quick Firing, 6-pr Anti Tank (Tractor Drawn)
(b) 17 Equipment, QF, 40 mm Anti-aircraft (Self Propelled)
(c) 14,000 Cartridges, QF, 6-pr, 7 cwt Armour Piercing and Armour CBC (Capped Ballister)
(d) 37 Telescopes, sighting, No. 41
(e) 16 Rangefinders, No. 2
(f) 40 Equipment, 25-pr
(g) 4300 Shell, 25-pr

On June 30, Mr. Wilgress wrote to Mr. Claxton saying that the French Embassy had requested the Canadian Government to divert items (a) to (e) to Indo-China for the use of the French Army there. He pointed out that the

Defence Appropriation Act, 1950, would appear to allow this and that Mr. Pearson agreed that we could not object to the request of the French Government.

During Mr. Claxton's absence, I registered no objection on the part of the Department of National Defence and as a result, arrangements have now been made with the French to load this aboard the *S.S. Tomaha*, arriving in Montreal on July 28th.

On his return to Ottawa, Mr. Claxton on July 15, wrote to Mr. Wilgress expressing concern at the prospect of the French diverting Mutual Aid to Indo-China and thought that this should be brought before Cabinet.

Now the French Government have made a further request to External to have items (f) to (h) also diverted to Indo-China and have stated that the *S.S. Tomaha* destined for Indo-China would, if authorization were granted, carry this equipment also to Indo-China.

In respect to the 25 pounders, I have this morning spoken to Mr. Claxton, who still feels that the Canadian public is not ready for this kind of thing and he would like to have the issue raised with his colleagues.

The problem is, of course, one of timing, in that the French are going ahead with arrangements to bring this ship here and it would perhaps be regrettable if she were to go away empty and the French be told a couple of days later that the Canadian Government had agreed to this diversion.

Yours sincerely,

C.M. DRURY

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462. DEA/50030-L-5-40

Le secrétaire du Cabinet
au sous-ministre de la Défense nationale

Secretary to Cabinet
to Deputy Minister of National Defence

CONFIDENTIAL Ottawa, July 24, 1952

Dear Mr. Drury:

This will confirm my verbal message of last evening regarding your letter of yesterday with reference to the proposal of the French government that certain of the military equipment allocated to France as part of the mutual aid programme should be diverted to Indo-China.

The Prime Minister expressed grave doubt as to whether such a diversion would be within the scope of the present law and left no doubt that, in his opinion, it was beyond the scope of government policy at the present time. He pointed out that Canada had been among those countries which had insisted that the scope of the North Atlantic Treaty area should not include North Africa but be confined to metropolitan France. He added that we had taken the view consistently that our mutual aid was to strengthen the North Atlantic forces in Europe and that we had been very careful to indicate at all times that we accepted no responsibility for the defence of British colonies and dependencies and that he felt the public would not understand anything which might be construed as accepting responsibilities in relation to the French Empire which we would not accept in relation to the British Empire.

I pointed out that my understanding was this was a mere substitution of materiel to avoid shipping one lot of supplies to France to replace another lot which would be taken from France for Indo-China, and that, in that sense, it might be regarded in fact, if not in form, as a strengthening of the North Atlantic forces in Europe.

The Prime Minister replied that the only modification he would be prepared to consider would be the sale of the equipment under discussion to the French, so that materiel of an equivalent value might be made available in mutual aid at a later date, which could be allocated to France, if the French could get a recommendation from the Standing Group.

I am sending a copy of this letter to the Acting Under-Secretary of State for External Affairs and I presume you will discuss with Mr. Reid the question of communicating the Prime Minister's views to the French authorities.

Yours sincerely,

J.W. PICKERSGILL

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463. DEA/50030-L-5-40

Le secrétaire du Cabinet
au sous-ministre de la Défense nationale

Secretary to Cabinet
to Deputy Minister of National Defence

CONFIDENTIAL Ottawa, July 28, 1952

Dear Mr. Drury:

I wish to refer to my letter of July 24th regarding the proposal of the French government that certain of the military equipment allocated to France as part of the mutual aid programme should be diverted to Indo-China.

On Saturday, July 26th, I delivered to the Prime Minister a letter from the French Ambassador,[36] a copy of which is enclosed.† After careful consideration of the further proposal put forward by Mr. Guérin, Mr. St. Laurent authorized me to advise the French Ambassador that he would be agreeable to having the supplies in question loaded for Indo-China on the *Tomaha*, when the ship arrives in Montreal, if the French government would undertake either to make a replacement in kind to the French N.A.T.O. forces in Europe which was acceptable to the Standing Group of N.A.T.O. as a satisfactory equivalent, or, alternatively, would undertake to make actual payment of the actual value — conditions of payment to be determined at a later date.

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[36] Hubert Guérin.

The Prime Minister asked me if possible to secure Mr. Claxton's concurrence and that I was able to do by telephone late Saturday evening. I then saw Mr. de Laboulaye[37] of the French Embassy and communicated the Prime Minister's proposal to him for his Ambassador. Mr. de Laboulaye informed me yesterday morning that he had sent an immediate message to Paris and that he hoped for a reply this morning. I will keep you advised.

I am also sending a copy of this letter to the Acting Under-Secretary of State for External Affairs.

Yours sincerely,
J.W. PICKERSGILL

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464. PCO

Note du sous-secrétaire d'État aux Affaires extérieures au secrétaire d'État aux Affaires extérieures[38]

Memorandum from Under-Secretary of State for External Affairs to Secretary of State for External Affairs[38]

SECRET Ottawa, August 13, 1952

PROPOSED DIVERSION OF MUTUAL AID TO INDO-CHINA

I understand that the question of diversion of mutual aid to Indo-China is going to be raised at Cabinet tomorrow.

2. You will remember that this question was discussed by Cabinet at its meeting of July 31, and it was decided that Cabinet would be prepared to authorize the diversion of the military equipment recently allocated to France under the Canadian Mutual Aid offer if the French Government would undertake either to make a replacement in kind to the French NATO forces in Europe which was acceptable to the Standing Group of NATO as a satisfactory equivalent, or, alternatively, would undertake to make actual payment of the actual value, conditions of payment to be determined at a later date.

3. This decision was brought to the attention of the French Government by the French Embassy and, on August 5, Mr. de Laboulaye told us that the French Government would prefer to buy the military equipment rather than to undertake to make a replacement in kind.

4. During your interview with the French Ambassador on this subject, you discussed the possibility of a solution along the lines of a communication from the Standing Group to the Canadian Government, the final sentence of which

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[37] François de Laboulaye, conseiller, ambassade de France.
François de Laboulaye, Counsellor, Embassy of France.

[38] Notre exemplaire du document porte l'annotation suivante :
The following was written on this copy of the document:
P[rime] M[inister]'s views given to R.G. R[obertson] for Mr. Pearson on telephone from St. Joseph d'Alma. 18.VIII.52 J.W. P[ickersgill]

was agreed to on a tentative basis by Mr. de Laboulaye and Mr. C. Ritchie and might read as follows:

> "The Standing Group has no objection to this diversion because it would have as a consequence a correspondingly beneficial effect on the French forces in SHAPE."

The Canadian authorities would be responsible for taking the initiative of bringing the matter to the Standing Group.

5. Mr. de Laboulaye informed us this morning that this formula was brought to the attention of the French Foreign Ministry by telephone, and although it has not yet been considered by the French Government, it has been found acceptable at the official level. If and when the formula is accepted by Cabinet, the French Embassy will undertake to see that it is brought to the attention of the French Government for approval.

6. The above formula would appear to be a satisfactory solution in the light of the following comments:

(a) You will remember that Mr. Pickersgill reported that the Prime Minister expressed grave doubt as to whether such a diversion would be within the scope of the present Canadian legislation. As you are aware, the Deputy Attorney General of Canada, in his letter of July 29 to the Deputy Minster of National Defence (copy of which is attached herewith)† has expressed the view that such a diversion would be covered under the Defence Appropriation Act, 1950.

(b) Mr. de Laboulaye told us that when France put a bid for this military equipment, it was known to the Standing Group that Metropolitan French forces do not use 25 pr guns and that such equipment allocated to France would be diverted to Indo-China.

(c) The proposal that France now buy the military equipment would seem to me to be impractical. If such a proposal is accepted, it would mean that the equipment would have to be turned over to Crown Assets in order to be sold to the French Government with the result that the Department of National Defence would receive no credit.

L.D. W[ILGRESS]

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465. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa,] August 14, 1952

. . .

MUTUAL AID; DIVERSION OF CERTAIN ITEMS TO INDO-CHINA

9. *The Secretary of State for External Affairs,* referring to discussion at the meeting of July 31st, 1952, said consideration had been given subsequently, to the possibility of France making a payment for the equipment diverted to Indo-China. It had been concluded, however, that this would not be a practical

solution. Sale of the equipment would yield a comparatively small payment and a credit would not be established in favour of the Department of National Defence. In the circumstances, a formula had been suggested whereby the equipment would be transferred as mutual aid and the Standing Group would indicate to the Canadian government in writing that it had no objection to the diversion because it would have a correspondingly beneficial effect on French forces in Europe. The Department of Justice had now given an opinion that such a transfer could properly be made under the Defence Appropriation Act, 1950. This formula, which was acceptable to French officials, would safeguard the government's position under the Act, avoid the establishment of an undesirable precedent and permit use of the Canadian equipment on an active front, where it was urgently needed. He suggested that this formula be approved on the understanding that he would seek the concurrence of the Prime Minister.

10. *The Cabinet*, after discussion, approved the recommendation of the Secretary of State for External Affairs that certain Canadian military equipment offered to France as mutual aid be diverted to Indo-China on the understanding that a statement be obtained from the Standing Group endorsing the transfer and agreed that, subject to the concurrence of the Prime Minister, to be sought by Mr. Pearson, the formula be adopted as submitted.

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466. DEA/50030-L-5-40

Note du secrétaire par intérim du Cabinet
au secrétaire d'État aux Affaires extérieures

Memorandum from Acting Secretary to Cabinet
to Secretary of State for External Affairs

SECRET Ottawa, August 18, 1952

MUTUAL AID TO FRANCE; DIVERSION TO INDO-CHINA

As I mentioned to you by telephone this morning, Mr. Pickersgill called, giving the Prime Minister's views about the proposed arrangements for the diversion of French aid.

Opposite paragraph 6(c) of Mr. Wilgress' memorandum to you (prepared in Defence Liaison [1] Division by Paul Beaulieu), the Prime Minister wrote the following comment:

> "The fact that the Department of National Defence would receive no credit does not appear to me to be a good reason to change our stand about the exclusion of colonies or dependencies from the scope of NATO commitments."

At the top of the second page of the memorandum,[39] opposite the suggested formula for the Standing Group to use, the Prime Minister wrote:

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[39] De la 1ère Direction de liaison avec la Défense.
Of Defence Liaison (1) Division.

> "This would involve our assumption of some responsibility for the colonial or dependency burdens of the metropolitan members of NATO, and that is something which we decided originally we would not do. I see no sufficient reason to change our stand in that regard."

Concerning the Prime Minister's general views on this question, Mr. Pickersgill said that Mr. St. Laurent's original agreement to the two alternative proposals — sale or replacement — had been reluctant enough. He thought that the new formula could apply just as readily to a United Kingdom application for diversion of assistance to say, Egypt or any other place as it could to the present French application. In a sense, anything that relieved a NATO member of an extra-NATO responsibility could be regarded as help to SHAPE. However, it was precisely that kind of precedent with regard to off-setting assistance that he wanted to avoid. If the Standing Group could say that France had earmarked and transferred equipment that would be one thing, but to say in general terms that there would be a corresponding beneficial effect was quite another.

The Prime Minister does not apparently regard it as a serious point if, under some sale arrangement, the Department of National Defence does not secure any financial credit. He would be prepared to see the sale on some sort of a bargaining or token basis — not a purely symbolic payment, but a payment about equal to what we might get for the equipment in sale to, say, Israel or another country. He would also be prepared to see plenty of time taken about arranging a basis of payment or to have payment through some sort of off-set in connection with our airfields in France or otherwise.

The Prime Minister said that if his colleagues in the Cabinet were convinced that action ought to be taken along the lines that had been put before him, he was prepared to have himself over-ruled. He wanted it to be known, however, that he was quite unconvinced that it was desirable to take any such action.

R.G. R[OBERTSON]

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467. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa,] August 21, 1952

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MUTUAL AID; DIVERSION OF CERTAIN ITEMS TO INDO-CHINA

9. *The Secretary of State for External Affairs,* referring to discussions at the meeting of August 14th, reported that the Prime Minister did not agree with the formula then considered for the diversion of certain mutual aid items from France to Indo-China. Mr. St. Laurent preferred one or other of the two formulae discussed at the meeting of July 31st, under which the equipment would be sold to France or France would provide replacements in Europe satisfactory to the Standing Group. In the circumstances, it was planned to

review the question at the meeting of the Cabinet Defence Committee on August 26th.

10. *The Cabinet*, after discussion, noted the report of the Secretary of State for External Affairs that the formula for the diversion of certain Canadian mutual aid items from France to Indo-China discussed at the meeting of August 14th, 1952, was to be reviewed by the Cabinet Defence Committee on August 26th.

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468. PCO

Extrait du procès-verbal de la réunion du Comité de la défense du Cabinet

Extract from Minutes of Meeting of Cabinet Defence Committee

TOP SECRET [Ottawa,] August 26, 1952

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II. MUTUAL AID; DIVERSION OF ITEMS TO INDO-CHINA

5. *The Secretary of State for External Affairs* referred to discussion in the Cabinet on August 14th and August 21st, 1952, regarding a request of the French government to divert to Indo-China certain Canadian mutual aid equipment allotted by the Standing Group to France. It appeared necessary to decide whether, to meet the French request, the equipment should be sold to France at some price, or given as mutual aid for diversion to Indo-China under certain conditions. It was understood the Standing Group had already agreed that it would be desirable to use the equipment in Indo-China.

6. *The Prime Minister* said assurances had been given to Parliament that Canada would not be concerned with the dependencies of European powers as a result of the North Atlantic Treaty. It was therefore important that the equipment should not be given to France for direct and unconditional use in Indo-China.

7. *The Minister of National Defence* did not favour sale to France, since the amount realized would be small and of little benefit in the replacement of equipment for use by the Canadian forces. The equipment consisted in part of new 25-pounders which would be particularly useful in Indo-China and were not of interest to other NATO members.

8. *The Committee*, after further discussion, noted the report of the Secretary of State for External Affairs and agreed that the French government be informed that Canada was prepared to deliver the equipment as mutual aid to France in accordance with the allocation recommended by the Standing Group some time ago, but that the Canadian government could not give any express approval to its transfer to Indo-China.

. . .

469. DEA/50030-L-5-40

Le sous-secrétaire d'État aux Affaires extérieures
à l'ambassadeur de France

Under-Secretary of State for External Affairs to Ambassador of France

SECRET Ottawa, September 11, 1952

Dear Mr. Guérin,

I refer to our recent discussions concerning the following equipment which the Canadian Government offered as Mutual Aid through the Standing Group:

72	Equipment, Quick Firing 6-pr Anti-tank (Tractor drawn);
17	Equipment, QF, 40 mm Anti-Aircraft (Self-propelled);
14,000	Cartridges, QF 6-pr, 7 cwt Armour Piercing and Armour Piercing CBC (Capped Ballister);
37	Telescopes, sighting, No. 41;
16	Rangefinders No. 2;
40	25-pr Guns (tractor drawn).

I have been instructed to inform you that the Canadian Government confirms the allocation of this equipment to France for NATO purposes in accordance with the recommendation of the Standing Group.

Yours sincerely,

L.D. WILGRESS[40]

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470. DEA/50030-L-5-40

Note du sous-secrétaire d'État aux Affaires extérieures
au secrétaire d'État aux Affaires extérieures

Memorandum from Under-Secretary of State for External Affairs
to Secretary of State for External Affairs

SECRET Ottawa, September 20, 1952

MEMORANDUM FOR THE MINISTER (on return)

MUTUAL AID FOR FRANCE

In accordance with your instructions, Mr. Ritchie asked Mr. de Laboulaye of the French Embassy to come to see him on September 16 and handed to him the text of the attached letter to the French Ambassador dealing with the allocation of Canadian equipment to France for NATO purposes.

2. In answer to a query from Mr. de Laboulaye, Mr. Ritchie explained that the ultimate destination of this equipment was not a matter for the Canadian Government. We were simply allocating the equipment to France for NATO purposes and there our part in the matter ended. Mr. de Laboulaye raised the

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[40] Note marginale :/Marginal note:
(Handed to Mr. de Laboulaye by Mr. C. Ritchie on Sept.16).

question of the allocation of the equipment by the Standing Group for employment in Indo-China. Mr. Ritchie said that this was a matter between the French Government and the Standing Group.

3. Mr. de Laboulaye then said that, on the assumption that the Standing Group was willing that the equipment should go to Indo-China (which he added was in fact the case) it might be more convenient that the equipment should be shipped direct from Canada to Indo-China as French ships were calling from time to time in the United States to pick up American equipment for Indo-China. Mr. Ritchie remarked that his instructions would not permit of his being drawn into any further discussions of hypothetical situations. He added that he thought that Mr. de Laboulaye was quite familiar enough with the whole negotiation over Canadian equipment for Indo-China to appreciate the position of the Canadian Government and to see the undesirability of re-opening the matter. Mr. de Laboulaye agreed.

L.D. W[ILGRESS]

8ᵉ PARTIE/PART 8

COMMUNAUTÉ EUROPÉENNE DE DÉFENSE
EUROPEAN DEFENCE COMMUNITY

471. DEA/50172-40

Note du secrétaire d'État aux Affaires extérieures au premier ministre

Memorandum from Secretary of State for External Affairs to Prime Minister

TOP SECRET Ottawa, January 10, 1952

EUROPEAN DEFENCE COMMUNITY

Our latest information on developments with regard to the European Defence Community is not altogether reassuring. The meeting last month in Paris of the six Foreign Ministers of France, Germany, Italy, Belgium, the Netherlands and Luxembourg, designed to hasten agreement on the principles to govern the European Defence Community, revealed important continuing differences of opinion.

2. The line of division lay between France, Germany and Italy, on the one hand, and Belgium and the Netherlands, on the other. The latter two countries rejected the idea of a common budget for the European Defence Community. They insisted on the right of national governments to veto decisions on the Council of Defence Ministers which is to be the supreme executive authority of the Defence Community. While all parties rendered varying degrees of lip service to the idea of an eventual European federation or confederation, the meeting underlined a basic difference of view. The Benelux countries seemed to want little more than a coalition of European Governments presiding over a European Army composed of national contingents. The French, Italians and

Germans want a measure of pooling of sovereignty in the defence sphere to lead eventually to more ambitious plans for political fusion.

3. A second difference arose over the relationship between the European Defence Community and NATO. It crystallized over the question of the duration of the European Defence Community Treaty. The Netherlands Government suggested that it should be co-terminous with the North Atlantic Treaty, i.e. for a twenty-year period. The French proposed a fifty-year period for the European Defence Community Treaty.

4. The Netherlands Foreign Minister returned to The Hague with the suspicion that the French regard the North Atlantic Treaty as an ephemeral defence alliance, organized to cope with a particular crisis and that they take no interest in the idea of a North Atlantic Community. Mr. Stikker has told our Ambassador in The Hague that he could not believe his ears when he heard M. Robert Schuman describe in a speech the "caractère occasionel et essentiellement éphémère" of NATO.

5. The Netherlands Ambassador, under instructions from his Government, called on me on January 8 to express Mr. Stikker's concern at this development. We have, of course, always considered that there was nothing incompatible in developments leading towards European confederation and the idea of a North Atlantic Community. Indeed, from our point of view, those two concepts must be intimately related, both politically and militarily. We think that the French Government share this view and hope that Mr. Stikker's concern is ill-founded. In view of Mr. Stikker's interest in the matter, I have today sent him a personal message on this subject, copy of which is attached hereto.[41]

6. Despite the somewhat gloomy prospects, the French Government still are optimistic that they may be able to obtain an agreement on the principles of the European Defence Community before the Lisbon meeting, but it may be at the cost of dropping, at any rate for the immediate future, a good many of their more ambitious plans for the political superstructure of the European Defence Community.

7. One method of compromise, which is at present being explored, is for agreement upon a period of transition, perhaps to last till 1954, during which national control over defence policies and budgets would remain. Only then would a European commission produce European defence estimates and submit them to a Council of Ministers.

8. Even in this attenuated form, the conception of a European Defence Community remains, in our view, of the greatest political importance. It provides the only framework yet suggested by which Germany could be associated with the defence of Western Europe on terms acceptable both to the French and German Governments. Its failure would be a very serious blow to French prestige and morale. Meanwhile, the fall of the French Government has been a further disturbing factor. Although it is unlikely to affect French policy

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[41] Le document suivant./The following document.

towards the European Defence Community, it may bring further delays in the timetable.

9. The United States, for their part, have in the past taken the view that if agreement could not be reached on the European Defence Community by the date of the Lisbon meeting, they would proceed with plans of their own for the association of Germany with Western defence. The latest messages from Washington, however, indicate an important modification in this attitude. In conversations with Mr. Churchill and Mr. Eden, Mr. Acheson has now made it clear that he sees no alternative to the creation of a European Defence Community.

10. The relationship of the United Kingdom to the European Defence Community is a somewhat uneasy one. Mr. Churchill's resumption of the Prime Ministership gave rise to some unjustified hopes of a fundamental change in United Kingdom policy towards plans for European federation or at least for a United Kingdom contribution to the European Army. These hopes have been dashed by the subsequent attitude of the United Kingdom Government.

11. Insofar as such hopes looked to the participation by the United Kingdom in a European federation, they were founded on a misconception of the realities of the United Kingdom position — realities unlikely to be changed by any change of Government. The United Kingdom could not merge itself in a Western European federation without profoundly modifying not only its ties with the Commonweath but its relationship with the United States. It is probable that the dislocations that would be involved in any precipitate move towards the federation of the United Kingdom in Western Europe would weaken the free world. Our Ambassador in Washington reports that these facts are appreciated by Mr. Acheson, although there are certain tendencies in Congress towards the more facile assumption that the United Kingdom could be dragooned into a Western European federation.

12. So far as the relationship of the United Kingdom Government towards the European Defence Community is concerned, there is little doubt that the obvious scepticism of the United Kingdom regarding the feasibility of the Pleven Plan[42] has, in the past, played a part in strengthening the reluctance of the Benelux countries to accept the more drastic implications of that Plan.

13. Mr. Churchill's personal views on this subject are obviously of importance and you may think it desirable to discuss the problem with him during his visit here.[43] There seems now to be little question of the United Kingdom Government actually offering a token force for integration in the European Army, although this might still turn out to be a possibility if the European Defence Community develops along the very loosely integrated lines advocated by the Benelux countries. For the present, however, Mr. Churchill and Mr.

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[42] Fait référence à la proposition du premier ministre de la France, René Pleven, de créer une armée européenne unifiée.

Refers to proposal of French Premier René Pleven for the creation of a unified European army.

[43] Voir le document 670./See Document 670.

Eden have both made it clear that they have no intention of making such a contribution. Moreover, the French Government have now indicated that United Kingdom participation which would require an alteration in the proposed basis for the European Army would be unwelcome as it would tend to delay the acceptance of an agreed plan even further.

14. Recent public statements by the United Kingdom Government have been carefully designed to allay any suspicion that the United Kingdom does not in fact fully support the idea of a European Defence Community, even if unable to join it. Nevetheless, as you may recall, Mr. Churchill, in his private discussion of the European Army with me in London, made it clear that he considered the French plan as highly impractical. As he put it, the proper way to bring European armies together was to maintain their national identities and tie them together "as a bunch of sticks" rather than to mix them up as "wood pulp". It is much to be hoped that this private scepticism will not be sensed by the Dutch and Belgians who might then be encouraged to hold out against any compromise on the European Defence Community in the hope of securing an even looser organization which might secure participation of the United Kingdom.

15. It might be desirable, if you agree, to emphasize to Mr. Churchill the importance which we attribute to the concept of a European Defence Community and the dangerous and difficult situation which would result if the Pleven Plan collapsed.

16. This question has some bearing on the future location of the principal agencies of NATO. As you know, the United Kingdom has insisted that any such concentration should be in London rather than in Paris. It might be desirable to point out to Mr. Churchill that the establishment of NATO Headquarters in Paris would have the effect of securing a close working cooperation between the European Defence Community and the North Atlantic Treaty Organization. Close cooperation between the two is essential if, in the words of the communique on the Churchill-Truman talks issued today, the defence of the free world is to be strengthened and solidified by "the creation of a European Defence Community as an element in a constantly developing Atlantic community".

17. I am attaching to this note an excerpt from a teletype from Washington, dated January 9, on the Churchill-Truman talks, which deals with the discussion on the European Army which took place in Washington between Mr. Acheson and Mr. Eden.[†] You will see that Mr. Eden agreed to do his best to convince the Benelux countries that they should cooperate in the European Army Plan.

L.B. PEARSON

472. DEA/50172-40

Le secrétaire d'État aux Affaires extérieures
au ministre des Affaires étrangères des Pays-Bas

Secretary of State for External Affairs
to Minister of Foreign Affairs of the Netherlands

SECRET AND PERSONAL [Ottawa,] January 11, 1952

Your Ambassador came to see me on Tuesday to explain to me your concern over the question of the relationship of NATO to the European Defence Community. I fully share your view that this relationship must be politically and militarily as close as possible, and we will certainly support that view at forthcoming meetings and discussions. I have never myself seen anything incompatible between the idea of closer European unity and a developing NATO community; indeed, these two concepts must be linked together. This link is necessary, as you point out, to ensure close and continuing United States association with the future of Western Europe. The concept of a European Army with a European Defence Community has now taken such firm root in Washington that failure or prolonged delay in realizing it would, I feel, have a most discouraging and frustrating effect in the United States and might tend to defeat our common objective. United States withdrawal from Europe would, in my mind, be far more likely to result from such failure than from the feeling that European unity and strength made unnecessary her military presence in, and political commitments to Europe.

I am inclined to doubt whether, as NATO gathers force and cohesion and as the United States becomes increasingly committed to its long-term policies and objectives, there is very much danger of the EDC developing in a direction away from NATO. Nevertheless, I certainly agree with you that we should be on guard against this danger and do everything we can to prevent it developing. As I see it, the best way to do this is not to discourage or delay the European Army and EDC, but to make sure that these moves are tied in with those toward Atlantic unity. The two must be parallel, not conflicting, and I would hate to think that one was preventing or slowing up the other.

One further point occurs to me. In the interest of securing that close co-operation between the European Defence Community and NATO which we both think essential, do you not think that we should agree without delay that the headquarters of NATO and of the EDC should be in the same place so that they could work closely together on a day-to-day basis and thus secure maximum co-operation.

I know that this whole question involves special difficulties for the Netherlands, with its overseas outlook, interests, traditions, and its close relationship to the United Kingdom and overseas countries. I know also how easy it is to give advice from North America where your problems may not be always fully understood. That is, in fact, the reason why I hesitated for some time before sending this additional message. However, it seems to me that the question is such a vital one that you would not misunderstand my desire to do so.

There is now, I think, a good opportunity to heal the age-old feud between Gaul and Teuton by the inclusion of both in a European system. The effect of this on future peace prospects would, of course, be incalculable. I realize that if the United Kingdom were organically a part of this European system, the situation would be much easier for the Netherlands. I do not think that there is any likelihood of United Kingdom formal participation in these European organizations, but she is moving to closer co-operation with and support of them. The Washington talks that have just ended confirm this. The failure to realize a European Army and Defence Community might, I think, have a similar effect on the United Kingdom as on the United States, that of slowing up or preventing this bridging of the Channel which is going on. Here again, then, as I see it, the solution is to go ahead on the continent but always, as you put it, with the continental circle inside the larger Atlantic circle.

I apologize for the length of this message and send with it all good wishes and sincere personal regards.

We will meet in Lisbon, I hope, but when?

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473. DEA/50030-P-1-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-135 Washington, January 14, 1952

TOP SECRET

Reference: Your message to Mr. Stikker on European Defence Community.

1. In accordance with the authority given by you on the telephone this morning, I read to Perkins your message to Mr. Stikker repeated to me in your EX 97† of January 11.[44] He was pleased and impressed by what you said and asked me to give him a copy which he could show to the Secretary of State. I told him that I was informing him of the message on a strictly confidential basis and that you did not want this to be known to other governments. As he assured me that he would himself show the message to Mr. Acheson and return it to me without its being copied, I left a copy with him. He was specially pleased about your argument that the headquarters of NATO and EDC should be in the same place in order to ensure the closest cohesion and keep EDC within the NATO orbit.

2. He told me that Stikker's apprehensions seemed in part to arise from a remark by Schuman in the course of discussion on the length of the agreements

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[44] Pour le texte, voir le document précédent.
For text, see immediately preceding document.

establishing EDC. Stikker had proposed a 20-year term to conform with NATO. In arguing for a 50-year term, Schuman had employed what Perkins called a lawyer's argument to the effect that EDC really had to be a permanent organization, whereas the North Atlantic Treaty was for only 20 years. The State Department has asked Bruce to approach Schuman in order to get him to correct any misapprehension caused by his use of this argument.

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474. DEA/50030-P-1-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis

Secretary of State for External Affairs
to Ambassador in United States

TELEGRAM EX-165[65] Ottawa, January 19, 1952

SECRET

EUROPEAN DEFENCE COMMUNITY

Reference: My telegram No. (Washington 97; London No. 88; The Hague No. 4)[66] of January 11.

Following is Mr. Stikker's reply dated January 18 to my message quoted in above telegram. Message begins:

"I feel most indebted to you for your kind and encouraging message which shows complete understanding for our views as regards necessity of very close relationship between NATO and EDC.

Only by establishing these strong links now, while we are still working on the shape of EDC, we may ensure that this community will develop within 'a constantly developing Atlantic Community'.

Efforts of the 6 European countries involved to come to terms will no doubt be enhanced if England, Canada and United States continue to stress this necessity. You can rest assured that the Netherlands Government will do everything in their power to come to a reasonable compromise acceptable to all parties concerned.

I read with satisfaction that you do not share my fears of EDC developing away from NATO at a later stage. Indeed I believe with you that this eventual danger may be avoided if aims and obligations of both organizations remain parallel and not conflicting. As you point out so clearly, the continental circle will have to develop in the large Atlantic circle.

I furthermore fully agree with you that cooperation between EDC and NATO would be strongly promoted by establishing headquarters of both organizations in the same place. While I understand too fully British preference for London this involves smaller nations in considerable duplication of effort and therefore in my opinion Paris would be the most appropriate which I hope will be agreeable to all member nations concerned.

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[65] Le télégramme porte la mention :/Noted in telegram:
Repeat to London No. 154. The Hague No. 8.

[66] Voir le document 472./See Document 472.

I am looking forward to meeting you again in Lisbon on February 16 next or possibly on an earlier date in view of a meeting of the Comité [Committee] on Atlantic Community, which you may wish to convene, and I send you my best wishes and sincere personal regards." Message Ends.

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475. DEA/50030-P-1-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur en Belgique

Secretary of State for External Affairs
to Ambassador in Belgium

TELEGRAM 9 Ottawa, January 20, 1952

IMPORTANT AND SECRET

Repeat IMPORTANT to The Canadian Ambassador, Washington, and (without priority) The Canadian High Commissioner, London.

EUROPEAN DEFENCE COMMUNITY

Reference: My immediately preceding telegram No. 8 of January 20.†

Following from the Under-Secretary, Begins:

1. Our Embassy in Washington informed me last night that the State Department are very much concerned at the impasse encountered in the last day or two in the European Army discussions. They tell us that although the Netherlands have agreed to a compromise proposal acceptable to representatives of the other four Powers, the Belgian Government have indicated their inability to do likewise.[47]

2. The State Department feel that the situation is critical and are doing everything possible to persuade the Belgians to change their position. They have invited us to express our concern to M. van Zeeland and in particular have suggested that we make available to him the Minister's personal message to Dr. Stikker, the text of which is set out in my immediately preceding telegram.

3. Mr. Pearson is away from Ottawa and I am not able therefore to ask you to convey a personal message from him. Nevertheless I do know that he attaches great importance to agreement being reached on the European Army in advance of the NATO Council meeting in Lisbon on February 16th.

4. Accordingly, I would like you to convey immediately to M. van Zeeland a copy of the text of Mr. Pearson's personal message to Dr. Stikker. In doing so you should say that we have heard that the European Army discussions have reached a critical stage; while we are not aware of the precise issues which are causing difficulty to the Belgian Government, I thought M. van Zeeland might

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[47] Pour le texte, voir le document 472./For text, see Document 472.

wish to know of the reply which Mr. Pearson had sent to The Netherlands Foreign Minister. This reply had been made to certain questions which Dr. Stikker had raised with Mr. Pearson concerning the relationship of the European Defence Community to NATO. You should add that it occurred to me that it might be helpful in present circmstances for M. van Zeeland to be aware of Mr. Pearson's attitude on these questions. M. van Zeeland will know that the Canadian Government hope that it will be possible for the six Governments concerned to agree upon mutually satisfactory arrangements for the EDC.

5. Please report to us any response or reactions you may receive, together with any comments you may have on the Belgium Government's attitude. Ends.

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476. DEA/50172-40

Le haut-commissaire au Royaume-Uni
au secrétaire d'État aux Affaires extérieures

High Commissioner in United Kingdom
to Secretary of State for External Affairs

TELEGRAM 225 London, January 23, 1952

SECRET

EUROPEAN DEFENCE COMMUNITY

Reference: Your telegrams No. 8 and No. 9 of January 20.†

Addressed Ottawa No. 225, repeated Canadian Ambassador Paris No. 17.

Following message dated January 21st received from Canadian Ambassador Brussels, Begins:

Addressed to Ottawa No. 12, repeated for information to London No. 1, Paris No. 2, The Hague No. 1, Bonn No. 1, Rome No. 1. London please pass.

As Ambassador had already left for Luxembourg (reference my telegram No. 11, January 21st) following from Arnold Smith, Begins:

1. As Mr. Van Zeeland was unable to see me today I early this evening saw Poswick, his Chef de Cabinet, who had been concerned with EDC negotiations and handed him aide memoire making points in your instructions and enclosing text of your personal message to Stikker. After reading message he said he was sure that his Minister would greatly appreciate knowing of it and would also welcome this evidence of Canada's close interest in EDC.

2. In response to question Poswick said that while main outstanding questions had been (a) budget, and (b) relations between Executive Commission and Council of Ministers, Belgium had now "provisionally" agreed to make so many concessions that there was little left at issue except a few matters of wording, chiefly the name of "high authority".

3. On budget side Poswick said that Belgian delegation in last two days had had several meetings and had agreed to concessions which they were confident would make agreement fairly sure on this whole category of questions.

4. Belgian Government was now also prepared to make a number of concessions on political side. But here Poswick was less confident of agreement though he said he was hopeful. He emphasized that presently worked out Belgian position was absolutely their final word in the way of concessions and when they said if "three great powers" (but he added France, Germany and Italy were in reality no longer great powers) did not, repeat not, now meet Belgian offer then it would prove manoeuvring to throw on Belgium the blame for abandoning EDC project which they had themselves now decided was unrealistic.

5. Poswick did not give me details but said only real issue remaining was name of Executive Commission. He said powers of Council and "Executive Commission" were now "provisionally" agreed. Belgium would never agree to call latter the high authority. The EDC's authority (pending establishment of a real political federation — when issues would become meaningless) must be Council of Ministers. Van Zeeland would accept any title "however honorific and pompous" which French might wish, providing it did not, repeat not, obscure this cardinal point.

6. Poswick added though he and other Ministers felt "sure" that he could get parliamentary ratification of Schuman plan,[48] he was less sure as regards EDC; and was sure that if name high authority were used for commission, ratification would be impossible. He emphasized that for a small country sovereignty was inevitably more important and more vulnerable than for a large one and that ordering troops around threatened sovereignty far more directly than the Schuman plan "authority's" power over coal and steel.

7. Poswick also said Van Zeeland was realistic in his suporting idea of a European federation but seemed to imply that it would have to be achieved more directly and overtly than through functional transfers of sovereignty to bodies likely to be dominated by France. He seemed to imply more lack of confidence in France than fear of Germany though, here again he would not be categorical.

8. Poswick said he was reasonably hopeful that there would be full agreement in good time before Lisbon NATO meeting; indeed whole issue should be settled "one way or another" (and Poswick thought favourably) by next Monday January 28th, after meeting of Ministers in Paris.

9. In my immediately following telegram I report a talk earlier today on EDC with United States Embassy Counsellor.[†] Ends. Message ends.

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[48] Fait référence à la proposition du ministre des Affaires étrangères de France, Robert Schuman, de placer la production de charbon et d'acier de l'Europe de l'Ouest sous une autorité commune. Refers to proposal of French Foreign Minister Robert Schuman for the creation of a single authority to control the production of steel and coal in Western Europe.

477. DEA/50172-40

Le haut-commissaire au Royaume-Uni
au secrétaire d'État aux Affaires extérieures

High Commissioner in United Kingdom
to Secretary of State for External Affairs

TELEGRAM 237 London, January 24, 1952

SECRET

EUROPEAN DEFENCE COMMUNITY

Reference: Arnold Smith's telegram No. 12, January 21.[49]

Addressed to Ottawa as No. 237 repeated Paris as No. 20.

Following telegram has been received from Canadian Ambassador, Brussels, Begins:

Addressed to Ottawa No. 16 info repeated London No. 3, Paris No. 4, The Hague No. 3, Bonn No. 3, Rome No. 3. London please pass.

Secret. Following from Chaput.[50]

1. Belgian aide memoire in answer to ours of 21 January was handed to me by Poswick this morning. A translation is given in the next paragraph. Poswick did not, repeat not, furnish any comment on contents of aide memoire nor did he refer to it during the interview except to say that an effort had been made to render the text as concise as possible in view of the fact that it would presumably be wired to you. While intimating that further progress had been made during experts discussion on Monday and Tuesday of this week he did not, repeat not, know the specific subjects on which progress had been made. He said that the main subjects which would not be discussed by experts and which would remain for consideration of the Ministers was that of the powers of Assembly. Its solution would depend in part on final decision reached concerning the powers of other organs of community. (See Paragraph 5 of our telegram under reference.) Poswick confirmed that the question of power of the "Executive Commission" would most probably not give rise to further difficulties and that the main item remaining under this heading was the name which should be given to this organ. The Ministers are to meet in Paris this week.

2. Following is the text of Belgian aide memoire. Text Begins:

The Belgian Government has noted with interest the aide memoire which the Canadian Government was good enough to send them on the question of European army. The hope expressed by the Canadian Government that "it will be possible for six governments concerned to arrive at a mutually satisfactory agreement concerning the European defence community" is shared by the Belgian Government.

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[49] Voir le document précédent./See immediately preceding document.

[50] J.R.B. Chaput, deuxième secrétaire de l'ambassade en Belgique.
J.R.B. Chaput, Second Secretary, Embassy in Belgium.

Great efforts have already been made by Belgian Government which has agreed to modify many points of view which were strongly held and which it still considers as being justified in order to permit that hope expressed above would materialize. The Belgian Government does not, repeat not, doubt that when making known its views to the other states participating in European army discussions the Canadian Government will insist on the necessity of arriving, to use its own words, "at a mutually satisfactory agreement" i.e. at a real accord meeting the legitimate anxiety and aspirations of all participating powers, Commonwealth and small countries.

The Belgian Government wishes to express its thanks to the Canadian Government for having communicated the views contained in the answer given by Mr. Pearson to questions asked by Mr. Stikker with regard to relations between European defence community and North Atlantic Treaty Organization. Text Ends.

3. Copy of aide memoire being sent by bag.

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478. DEA/50172-40

Extrait du télégramme du secrétaire d'État aux Affaires extérieures à l'ambassadeur aux États-Unis

Extract from Telegram from Secretary of State for External Affairs to Ambassador in United States

TELEGRAM EX-283 Ottawa, February 2, 1952

SECRET. IMPORTANT.

CONVERSATIONS WITH ASSISTANT SECRETARY OF STATE PERKINS IN OTTAWA, JANUARY 31 ON GERMANY AND THE EUROPEAN DEFENCE COMMUNITY.

Reference: My immediately preceding telegram No. 282.[51]

Following from Under-Secretary, Begins:

1. Mr. Perkins expressed considerable optimism about the progress of discussions on the European Defence Community now that the Belgians appear to be much more cooperative. He noted that there were two important outstanding questions (he omitted mention of the budget problem), namely, the duration of the Treaty and relationship with NATO. He felt that it was unnecessary and indeed undesirable to put the complete text of the Treaty before the Lisbon meeting. He thought it would be better to have the Lisbon meeting confronted with a statement of principles. Discussion on these principles would serve as a guide for final drafting of the text. This procedure he thought would permit of greater flexibility.

2. With regard to German membership in NATO he noted that the French were still very firmly opposed. They argue that German membership would be essentially incompatible with the defensive character of the North Atlantic

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[51] Non retrouvé./Not located.

Treaty since Germany would be the only member with territorial aims. Mr. Perkins commented that the admission of Germany to NATO would be the most clean-cut way to handle the matter, but in view of the French opposition some other course was necessary for the present. He was favourably disposed to Stikker's suggestion that Germany might be associated in NATO discussions directly affecting the EDC. In any case, he felt that the question of German membership in NATO would not be raised at Lisbon.

3. The Minister suggested that if the German question was to be solved it was imperative that EDC must be kept within the broader framework of the North Atlantic community. The French seemed to be considering the German problem largely in its European context, and he felt that the concept of the North Atlantic community must be constantly kept before the French. With these views Perkins agreed.

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479. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa,] May 21, 1952

NORTH ATLANTIC TREATY ORGANIZATION; PROTOCOL EXTENDING SECURITY GUARANTEES TO EUROPEAN DEFENCE COMMUNITY

. . .

11. *The Secretary of State for External Affairs*, referring to discussion at the meeting of March 4th, 1952 reported that, in accordance with a decision reached at the Lisbon meeting of the North Atlantic Treaty Organization, a treaty and N.A.T.O. protocols had been negotiated to extend N.A.T.O. security guarantees to Western Germany.[52] This would result in a European Defence Community, comprising all the members of the North Atlantic Treaty Organization and, in addition, the Federal Republic of Western Germany.

It was recommended that the Secretary of State for External Affairs and the Permanent Representative of Canada on the North Atlantic Council, or either one, be authorized to sign on behalf of Canada, subject to ratification, the protocol to the North Atlantic Treaty Organization extending the guarantees of Article V to the European Defence Community.

It was thought that ratification of the treaty and of the protocols might be accomplished by all participants by August. As a consequence, it might be advisable to submit the protocol to Parliament for approval during the course of the current session in order to avoid the possibility of Canada being unable to ratify the protocol in the early autumn if all other countries were then ready to do so. If it became apparent that this would be advisable, it could be made clear at that time that the Canadian instrument of ratification would not be deposited before the deposit of the ratifications of France, the United Kingdom and the United States.

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[52] Voir le document 426./See Document 426.

An explanatory note had been circulated. Minister's memorandum, May 16, 1952 — Cab. Doc. 155-52)†

12. *The Cabinet*, after discussion:

(a) approved the signature by Canada, subject to ratification, of the protocol to the North Atlantic Treaty extending the guarantees of Article V to the European Defence Community; and,

(b) agreed that an Order in Council be passed authorizing the Secretary of State for External Affairs and the Permanent Representative of Canada on the North Atlantic Council, or either one, to sign on behalf of Canada.[53]

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480. DEA/50172-F-40

L'ambassadeur en France
au secrétaire d'État aux Affaires extérieures

Ambassador in France
to Secretary of State for External Affairs

TELEGRAM 611 Paris, June 19, 1952

SECRET. IMMEDIATE.

STEERING COMMITTEE: EUROPEAN DEFENCE COMMUNITY CONFERENCE

Reference: Our despatch No. 1442 of October 3, 1951† and your despatch No. D. 1582 of December 8, 1951.†

1. The Secretary-General of the European Defence Community conference informed Cadieux[54] and Fournier[55] this week that meetings of the steering committee would resume on June 24 and suggested that if Canada wished to sit on this committee an approach should be made to the chairman of the conference M. Alphand. This procedure had been followed by the United States and United Kingdom last fall when they wished to be represented on the steering committee.

2. It is now the view of this mission and that of our delegation to NATO that because of the progress made to date towards the creation of a European army, and because the important problem of the future relationship between the EDC and NATO will be the subject of further discussions in the steering committee along with many other problems related to NATO at large, Canada should now seek the role of observer at the steering committee. If this proposal meets

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[53] Le Protocole OTAN-CED a été signé à Paris le 28 mai 1952 ; A.D.P. Heeney, représentant permanent auprès du Conseil de l'Atlantique Nord, a signé le document au nom du Canada.
The NATO-EDC Protocol was signed in Paris on May 28, 1952; A.D.P. Heeney, Permanent Representative to the North Atlantic Council, signed the document for Canada.

[54] Marcel Cadieux, conseiller, délégation permanente auprès du Conseil de l'Atlantique Nord.
Marcel Cadieux, Counsellor, Permanent Delegation to North Atlantic Council.

[55] Jean Fournier, premier secrétaire de l'ambassade en France.
Jean Fournier, First Secretary, Embassy in France.

with your approval we might inform M. Alphand that Canada would be represented on the steering committee by the permanent delegate of Canada to the North Atlantic Council or his representative. It would be greatly appreciated if we could have your views on this matter before June 24 when the steering committee meetings will resume. In its role as observer to the conference in general representatives from the Embassy attended plenary sessions of the conference of which there were very few. Owing to the pressure of work, however, it was not possible to spare an officer to attend the legal, military, financial, armaments committees of the conference. Reports of these meetings however were regularly sent to the Embassy and transmitted to Ottawa, London and Bonn.

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481. DEA/50172-F-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur en France

Secretary of State for External Affairs
to Ambassador in France

TELEGRAM 407[56] Ottawa, June 23, 1952

SECRET

CANADIAN PARTICIPATION TO EDC STEERING COMMITTEE

Reference: Your telegram No. 611 of June 19.

You are authorized to inform Alphand that we wish to be represented in the role of observer on the EDC Steering Committee by the Permanent Delegate to NATO or his representative. I leave it to you to decide in consultation with the NATO Mission whether the communication notifying our intentions to the French should go from you or from the NATO Mission.

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482. DEA/50172-F-40

Le représentant permanent par intérim
auprès du Conseil de l'Atlantique Nord
au secrétaire d'État aux Affaires extérieures

Acting Permanent Representative to the North Atlantic Council
to Secretary of State for External Affairs

TELEGRAM 225 Paris, June 25, 1952

SECRET

CANADIAN PARTICIPATION EDC STEERING COMMITTEE

Reference: Your telegram No. 161 of June 23, 1952. Addressed to Stadacona as No. 407.

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[56] Le télégramme porte la mention :/Noted in telegram:
Repeat to Delegation to the North Atlantic Council, Paris, No. 161.

Cadieux and Fournier saw De la Grand'ville, former Secretary-General of EDC conference, yesterday June 24 and conveyed your request to be represented at meetings by observer.

2. It was clear that since matter had last been discussed with him there had been further thought given to the representation of non-EDC members of NATO and some difficulties had arisen:

(a) It was felt that opponents of treaty might object that interim comission had agreed at this early stage to representation of non-European countries by observers and this could be embarrassing to the governments;

(b) Administratively there was also fear of short-circuiting NATO secretariat. De la Grand'ville was however personally in favour of disregarding these objections and receiving observers and he thought that Steering Committee might agree to this arrangement.

3. After first meeting of Steering Committee, De la Grand'ville late yesterday afternoon reported that Alphand had told his colleagues on the Committee that he had been approached by two governments (Canadian and Norwegian) who wished to be represented by observers at meetings of Steering Committee. The reaction had been unanimously unfavourable, the general view being that the Committee is now in existence and that the Steering Committee discussions should be restricted to parties only. The case of the United Kingdom and United States observers representing parties to contractual agreements closely linked to EDC treaty was considered to be different.

4. The problem of keeping non-EDC members of NATO in the picture was apparently discussed for the first time and the decision reached was that:

(a) an official from NATO secretariat would attend weekly meetings (on Tuesdays) of Steering Committee

(b) NATO secretariat will circulate all documents to NATO delegations;

(c) once a month Alphand who is Chairman of Steering Committee will make a full progress report to NATO Council.

5. Under these circumstances I think it will be difficult to proceed with request for formal representation on different basis of other NATO countries who are non-members of EDC and feel we should accept for time being arrangement proposed by Steering Committee. If we receive adequate documentation through NATO secretariat and detailed reports from Alphand in Council I am inclined to think that such arrangements would meet our requirements.

6. In any case, it might be advisable if you agree, to accept the proposed arrangement to take opportunity provided by Alphand's first report in Council to put on record our hope that both documentation circulated through NATO secretariat and monthly reports by Alphand will be sufficiently detailed to enable countries formerly represented by observers at EDC conference to be fully informed of all important developments in interim commission.

7. In addition to these methods of following the activities of the Steering Committee we will of course maintain close informal contacts with our United Kingdom and United States colleagues.

483. DEA/50172-F-40

Le secrétaire d'État aux Affaires extérieures
à la délégation auprès du Conseil de l'Atlantique Nord

Secretary of State for External Affairs
to Delegation to the North Atlantic Council

TELEGRAM 180 Ottawa, June 30, 1952

SECRET

CANADIAN PARTICIPATION EDC STEERING COMMITTEE

Reference: Your telegram No. 611 of June 19, 1952; your telegram No. 225 of June 25, 1952; our telegram No. 161 of June 23, 1952.

Although disappointed that our request made at the suggestion of the Secretary General of E.D.C. for representation at the meetings of the Steering Committee as observers has been rejected, I agree with the course proposed in paragraphs 5, 6 and 7 of your telegram under reference.

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484. DEA/50172-40

Note du sous-secrétaire d'État aux Affaires extérieures
au secrétaire d'État aux Affaires extérieures

Memorandum from Under-Secretary of State for External Affairs
to Secretary of State for External Affairs

SECRET Ottawa, December 23, 1952

RATIFICATION OF THE E.D.C. TREATIES

When we were in Bonn on December 10, Mr. Claxton was received by Dr. Adenauer, the Chancellor of the German Federal Republic. Mr. Davis and I accompanied Mr. Claxton, and Dr. Hallstein, the German Foreign Minister, was also present.

2. Mr. Claxton opened the interview by mentioning the purpose of his visit to Germany. Dr. Adenauer made some complimentary remarks about the Canadian troops. After a further exchange of pleasantries, Mr. Claxton mentioned that he was going to Paris to attend the meeting of the North Atlantic Council and that he would be seeing Mr. Acheson, Mr. Eden and Mr. Schuman. At this, Mr. Adenauer immediately referred to the importance of assuring ratification by the French Parliament of the E.D.C. Treaties. He said that the European solution was the only possible path to a better future in Europe. Unfortunately, certain political circles in France had grave misgivings about too close an association with the Germans. While he understood this and was doing his best to deal with this factor, he felt that the only real way out of the difficulty was for the United Kingdom to become associated in some way or another with the European Defence Community.

3. At a dinner given by Mr. Heeney on December 18, Mr. Claxton mentioned what Dr. Adenauer had told him. Among those present at the dinner were

Lord Alexander, Mr. Hoyer-Miller, Mr. Draper, General Gruenther and Lord Ismay. There ensued a general discussion about the possibility of associating the United Kingdom in some way or another with the European Defence Community. Lord Alexander was very positive that the United Kingdom could not in any way be mixed up with any scheme looking towards a Federation of Europe. The discussion revolved around whether or not limited United Kingdom participation in the European Army might be sufficient to accomplish the objective Dr. Adenaeur had in mind. It was mentioned that perhaps the United Kingdom might supply one or two Divisions to the European Defence Force; possibly some tactical Air Force Units, although keeping its main Air Defence Units under its own control, as well, of course, as the Royal Navy. General Foulkes referred to what he had heard from Field Marshal Montgomery about the difficulty of the French supplying properly qualified Corps Commanders and it was agreed that this might be another contribution the United Kingdom could make. General Gruenther felt that there would be no difficulty in working out the requisite Command arrangements both for the incorporation of the United Kingdom Divisions in the European Army and for the assignment of British Corps Commanders to that Force.

4. As the dinner was breaking up Mr. Draper asked Mr. Claxton if he could come and see him next morning because he was shortly going to Bonn to see Dr. Adenaeur and would like to have more information from Mr. Claxton as to what the Chancellor had told him.

5. The next morning Mr. Draper and Mr. Merchant called on Mr. Claxton. I was also present at the interview. After Mr. Claxton had told Mr. Draper in more detail of his conversation with Dr. Adenaeur in Bonn, Mr. Draper said that he had been thinking over the talk of the evening before and he had been wondering whether or not a three-point solution might not meet the situation. This three-point solution was as follows:

(1) The United States and the United Kingdom to supply a number of Divisions to the European Defence Force and Canada to contribute its Brigade Group;

(2) The United States, the United Kingdom and Canada to supply Corps Commanders and any other superior officers which might be required in order to prevent the European Defence Force being too much dominated by German Officers, having regard to the fact that Germany is the only present member of the E.D.C. likely to supply a large quantity of efficient Staff Officers;

(3) The United States, the United Kingdom and Canada to be represented in some way or other in the higher authorities of the E.D.C. This representation could take the form either of observer status or of associate membership.

6. Mr. Merchant commented upon this proposal by stating that he thought (2) and (3) perfectly feasible from the United States point of view, but he doubted if the Pentagon would agree to the incorporation of United States Units into the European Defence Force. Neither Mr. Claxton nor I made any comment except to indicate that this would go a long way to meeting the

requirement which Dr. Adenaeur had set forth as a condition for allaying the fears of certain political circles in France.

7. Since returning to Ottawa I received a visit from Mr. Bliss who said that the State Department had had a telegram from Paris reporting on the interview which Mr. Draper and Mr. Merchant had had with Mr. Claxton, following the discussion at Mr. Heeney's dinner.[57]

L.D. W[ILGRESS]

9e PARTIE/PART 9

YOUGOSLAVIE : AIDE MILITAIRE
YUGOSLAVIA: MILITARY AID

485. DEA/50259-40

Note de la Ière Direction de liaison avec la Défense à la Direction européenne

Memorandum from Defense Liaison (1) Division to European Division

SECRET Ottawa, April 2, 1952

MILITARY AID TO YUGOSLAVIA

As you will recall, the question of making available to Yugoslavia certain items of ammunition and equipment from Canadian Army stock of United Kingdom type was considered by Cabinet on two occasions, but no final decision was reached. At that time one of the main difficulties in the way of a contribution by Canada was the availability of equipment which could be offered to Yugoslavia after NATO countries' requirements are met. Our interim reply to the United States military authorities in June 1951, was based on the fact that the very limited amount of equipment available might not be of great use to Yugoslavia. Although we considered that no further action was required on the part of the Canadian authorities, the United States authorities were still keeping the matter in mind. Recently we received two telegrams from Washington informing us of the intention of the United States military authorities to place a bid with the Standing Group for unallocated Canadian 25-pounders. (Telegrams WA 726, WA 828).†

2. The Standing Group was recently requested by the Canadian authorities to recommend allocations of all the remaining 25-pounder guns and ammunition. After the bids from NATO countries were all met, 164 25-pounder guns were still available. Standing Group recommended on March 26, 1952 that the 25-

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[57] Notes marginales :/Marginal notes:
Note comments of the Minister. W[ilgress]
We should be careful not to give the impression that the Can[adian] Gov[ernmen]t has agreed or would necessarily agree to the incorporation of *any* Canadian forces in EDC. L.B. P[earson]
Noted. W[ilgress]

pounder guns left over, should, subject to the approval of the Canadian Government, be allocated to the United States for delivery to Yugoslavia together with some ammunition. The decision that the guns be allocated to the United States is apparently a device to overcome possible Canadian legislative obstacles to a direct transfer to Yugoslavia.

3. During a telephone conversation this morning with Major Carroll, Chiefs of Staff Secretariat, we were told that the Canadian Joint Staff in Washington have reiterated their request to the Standing Group that they first determine whether Greece and Turkey have any requirements for the remaining 25-pounders. The Chiefs of Staff Secretariat feel that, in accordance with Canadian Government policy to make available surplus United Kingdom army type equipment to NATO countries, Greece and Turkey should be given an opportunity to make a bid for the remaining guns. However, it is my understanding that General Foulkes intends to submit to Cabinet Defence Committee the question as to whether Canada should, as a matter of policy, make available equipment to Yugoslavia.

4. The problem is of considerable importance as it will no doubt raise various public reactions. Therefore, in order to be in a position to advise the Minister when the matter is discussed by Cabinet, it would be useful if European Division would study the politicial implications of this question. Legal Division is also asked to look into its legal aspects.

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486. DEA/50259-40

Note de la Direction européenne
à la Ire Direction de liaison avec la Défense

Memorandum from European Division
to Defence Liaison (1) Division

SECRET Ottawa, May 2, 1952

MILITARY AID TO YUGOSLAVIA[58]

We agree with the opinion expressed in your memorandum of April 2nd that it is politically sound to satisfy NATO requirements for army equipment before making such equipment available to Yugoslavia.

2. You asked for our opinion on the political implications of a decision on the part of Canada to make available to Yugoslavia equipment surplus to Canadian and NATO needs. As far as Canadian public opinion is concerned, we feel that such a decision would probably evoke some criticism, particularly from two quarters: Roman Catholics and Communists. Communist criticism, which extends to all our defence activities, cannot be allowed to affect a decision of this kind. Roman Catholic criticism must be taken more seriously, but I doubt if it would be important enough in this instance to put a domestic political obstacle in the way of a Government decision to aid Yugoslavia. It is

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[58] Note marginale :/Marginal note:
Mr. MacKay. This paper seems to me to be good sense. C. R[itchie]

our impression that the great majority of Canadians, Catholics included, while conscious of the undemocratic features of the Yugoslav regime and disturbed by the Yugoslav attitude towards religion, have accepted the necessity of helping Yugoslavia maintain her independence against Soviet pressure. The public is also generally aware of the fact that the United Kingdom, the United States and France have all extended economic and military aid to Yugoslavia, without attempting to disguise from their citizens the nature of the Yugoslav regime.

3. The other side of the question is the usefulness of sending arms to Yugoslavia from the points of view of: (a) survival of Yugoslavia as an independent state, and (b) NATO strategy.

4. To survive, Yugoslavia needs economic, military and psychological help. The Canadian offer under discussion would probably make only a small difference in Yugoslavia's military potential, even when considered in connection with possible satellite aggression, but might well make a useful contribution to the bolstering of Yugoslav morale. At the same time, such an act might form the basis of effective Canadian propaganda towards the Soviet satellites where Titoism is most likely to be latent.

5. The delivery of a number of twenty-five pounder guns to Yugoslavia would not, in our opinion, be of much strategic value from the point of view of Western defence. In general, and without the benefit of much knowledge of military matters, we have the feeling that there has been a tendency of late to over-rate Yugoslavia's strategic role from the point of view of Western defence. It seems to us that the main Soviet attack would be likely to by-pass Yugoslavia, which would remain relatively a side-issue. The Soviet planners can hardly be ignorant of the wastefulness of pursuing the Yugoslavs into their guerilla infested mountains. Furthermore, the maintenance of communications through Yugoslavia might well be less important to the Russians than it was to the Germans, and even in the latter case we suspect that there has been some exaggeration in the claims regarding the number of German fighting divisions held down in the Balkans by the various Yugoslav forces, particularly Tito's partisans. This is not meant to suggest that Yugoslavia's role in a war of the near future would be insignificant, but rather to keep us alive to the necessity of distinguishing between on the one hand the now indisputable desirability of maintaining the morale and the economic viability of Yugoslavia, and on the other hand the acceptance of increasing commitments to arm large Yugoslav forces, whose relative importance may be less than Tito claims and a number of Westerners believe.

6. The reservations expressed in the preceding paragraph do not, in our opinion, detract from the importance of the aim given in paragraph 3 (a). The Canadian twenty-five pounders would further this aim, we think, and we should therefore consider a decision to make them available to Yugoslavia as politically desirable.

J.B.C. W[ATKINS]

487. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa,] May 14, 1952

. . .

PROVISION OF MILITARY EQUIPMENT TO YUGOSLAVIA

11. *The Minister of National Defence*, referring to discussion at the meeting of October 3rd, 1951, reported that, from time to time, enquiries were received as to whether Canada would provide military equipment to Yugoslavia, either direct or through the U.S. government. In these cases he had always taken the position that no equipment could be provided unless Canada had items that N.A.T.O. did not require. In any such case there would have to be Cabinet approval of the transfer. He did not feel it would be feasible to make direct shipments to Yugoslavia although there might be cases in which deliveries could be made through the United States. His department was under instructions to do what it could to discourage such proposals.

12. *The Cabinet* noted with approval the report of the Minister of National Defence that, in connection with enquiries as to whether Canadian military equipment could be provided to Yugoslavia, the Department of National Defence took the position that no items could be considered for transfer unless they were not required by N.A.T.O. and the Cabinet approved the transfer of them, and that the department was under instructions to try to avoid such enquiries.

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488. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa,] September 17, 1952

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YUGOSLAVIA; PROVISION OF CANADIAN ARMS

30. *The Minister of National Defence*, referring to discussion at the meeting of August 14th, said from time to time the United States enquired as to the possibility of Canada making some of its surplus armaments available to Yugoslavia. At the present the Canadian Army had available a certain number of 25-pounder guns surplus not only to Canadian but also to N.A.T.O. requirements. Both the United Kingdom and the United States favoured transfer of this equipment to Yugoslavia and would even be prepared to arrange for movement of the guns to Yugoslavia in the event Canada was reluctant to make a direct transfer.

He thought that even though the 25-pounders were surplus to our needs and to N.A.T.O. requirements, and that both the United States and the United Kingdom favoured the transfer of this equipment, it would be inadvisable to approve such a transfer either directly from Canada to Yugoslavia or indirectly through the United Kingdom or the United States, as it would almost certainly be viewed unfavourably in certain parts of Canada.

31. *The Minister of Finance* supported the view put forward on a previous occasion by the Prime Minister to the effect that as a matter of general policy Canada should channel through the North Atlantic Treaty Organization any movements of Canadian armaments to other countries.

32. *The Cabinet* after discussion, noted the report of the Minister of National Defence and agreed that it would not be possible at this time to consider favourably any transfer of surplus Canadian armaments to Yugoslavia either directly to that country from Canada or indirectly through the United Kingdom or the United States.

10e PARTIE/PART 10

LIAISON ENTRE L'OTAN ET L'ANZUS
NATO-ANZUS LIAISON

489. DEA/50030-P-3-40

Note du sous-secrétaire d'État aux Affaires extérieures au sous-secrétaire d'État adjoint aux Affaires extérieures[59]

Memorandum from Under-Secretary of State for External Affairs to Assistant Under-Secretary of State for External Affairs[59]

SECRET Ottawa, June 5, 1952

NATO; ADMISSION OF AUSTRALIA, NEW ZEALAND AND SOUTH AFRICA

I may be called upon to discuss with the Minister, during the next few days, the question of the admission of Australia, New Zealand and South Africa to NATO. I should therefore be glad if you could obtain the views of others in the Department, and co-ordinate them in a memorandum which I could use for the purpose of discussion with the Minister.

2. We have reason to believe that Mr. Menzies, the Australian Prime Minister, is raising this question with the United Kingdom Government during his current discussions in London, and it is possible that he may be raising the matter when he comes to Ottawa following his visit to London.

3. The admission of Australia, New Zealand and South Africa to NATO would make geographical nonsense of the original concept of the North Atlantic Community. On the other hand damage has been done to that concept by the admission of Turkey, which has extended the obligations of NATO to

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[59] C.S.A. Ritchie.

embrace the Middle East. Since Australia, New Zealand and South Africa are being called upon to help defend the Middle East, a good case can be made out for them having equal status with Turkey.

4. Australian public opinion is loathe to make commitments to the Middle East at the expense of the defence of South-East Asia. I think we can agree that strategically an Australian contribution would be more valuable in present circumstances to the defence of the Middle East than to any other theatre. I do not believe that we will obtain adequate Australian cooperation in the Middle East without full representation in NATO.

5. The United Kingdom are endeavouring to satisfy the political aspirations of the Australians by offering them membership on the Council which would advise the Commander-in-Chief in the Middle East. This would mean, however, that Australia, New Zealand and South Africa would be placed in a definite position of inferiority, both to the United Kingdom and Turkey, who are full members in NATO. It is questionable whether it is in our interest, as a member of the Commonwealth, to see other members of the Commonwealth placed in such an invidious position.

6. On account of Australian insistence on some say as to what is happening in NATO, the U.K. Government is bringing the Australians more and more into their confidence regarding developments in NATO. Sir Stephen Holmes asked Basil Robinson,[60] just before I left London, what we would think about regular meetings at the Commonwealth Relations Office with only the older members of the Commonwealth present. His argument was that the partners in NATO would not object to the United Kingdom disclosing classified information to Australia, New Zealand and South Africa, but they would have objection if this information were discussed at a meeting at which the Asian members were also present. This is in line with a tendency which I have found since the Conservative Government took office in the United Kingdom. There is a disposition to promote the concept of the old Commonwealth — a term which is now often heard in London, in contrast to the position which prevailed when the Labour Government was in office.

7. The admission of Australia, New Zealand and South Africa to NATO would have the effect of regularizing the position without doing damage to the Canadian concept of a Commonwealth. We might therefore welcome it on these grounds. We could maintain the Canadian concept by continuing to press for the execution of the Colombo Plan and in other discussions advocating close co-operation with the Asian members of the Commonwealth. At the same time the co-operation of Australia, New Zealand and South Africa in defence matters would be secured through their membership in NATO.

8. You should not infer from this memorandum that I am in favour of the admission of Australia, New Zealand and South Africa to NATO. I have simply wished to set forth some of the arguments I can see from our point of

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[60] H.B. Robinson, deuxième secrétaire du haut-commissariat au Royaume-Uni.
H.B. Robinson, Second Secretary, High Commission in United Kingdom.

view in favour of such admission and before talking to the Minister I would like to know what is the Departmental thinking on this subject.

L.D. W[ILGRESS]

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490. DEA/50030-P-3-40

Note du sous-secrétaire d'État adjoint aux Affaires extérieures
au sous-secrétaire d'État aux Affaires extérieures

Memorandum from Assistant Under-Secretary of State for External Affairs
to Under-Secretary of State for External Affairs

SECRET Ottawa, June 10, 1952

NATO: ADMISSION OF AUSTRALIA, NEW ZEALAND AND SOUTH AFRICA

I have discussed the question raised in your memorandum on June 5 with Messrs. Reid, MacKay and Ronning. It may be useful to summarize the advantages and disadvantages of the membeship of these three countries in NATO, both from the Canadian viewpoint and in the broader context of the NATO organization.

Advantages

1. Full membership in NATO appears to be the best method of ensuring adequate contributions, especially by Australia, to the defence of the Middle East.

2. The exclusion of Australia, New Zealand and South Africa from NATO makes it difficult to keep these countries fully informed on defence matters without revealing U.S. views and policies; inclusion of these countries in NATO would provide a logical reason to treat them separately in certain defence matters without distinguishing between old and new Commonwealth members.

3. The Australians (and possibly New Zealanders) appear to consider that the importance of NATO is increasing, partly at the expense of the United Nations, and that their exclusion from NATO is placing them in what they regard as an inferior position.

4. If membership in NATO were to be related to probable defence contributions in another war, Australia and New Zealand would have stronger claims than such countries as Portugal and possibly Denmark.

5. Although there has been concern that the growing membership of NATO has made the organization unwieldy, it may be argued that the unfortunate tendency for decisions to be taken from the full membership into the hands of the three leading powers has gone too far to be arrested, or even affected by the addition of new members.

Disadvantages

1. The inclusion of Australia, New Zealand and South Africa would make nonsense of the geographical concept of the NATO community. Against this it

may be argued that since the signature of the North Atlantic Treaty, NATO has not been a geographical concept. Particularly since the inclusion of Greece and Turkey, Canada has accepted the fact that NATO is no longer the association of members of a geographical North Atlantic community.

2. The inclusion of these countries would substantially extend the responsibilities of NATO. Australia and New Zealand would tend to emphasize the defence of Southeast Asia possibly to the detriment of the European area in which Canada has a greater interest. Canada might be under some pressure to make contributions for Mutual Aid or otherwise to the Pacific or Southeast Asia area at the possible expense of our effort in Europe.

3. The size of NATO is already making the organization cumbersome. The addition of new members would intensify the tendency to centralize the real power in the U.S., the U.K. and France.

4. If Australia, New Zealand and South Africa were admitted to NATO, it would be difficult to resist the membership of other countries such as Pakistan whose chief concern is not defence against the Soviet Union. Membership of such countries might prove embarrassing to us in our relations both with other Commonwealth countries and with other Asian countries.

5. The important factor in the interests of Australia and New Zealand in membership would probably be the desire for a greater voice in Southeast Asian questions. This desire would not in fact be met by membership in NATO since policy with regard to this area is not discussed in the NATO context but rather by consultation between the three leading NATO members outside NATO.

6. The inclusion of Australia, New Zealand and South Africa might result in increased pressure for Mutual Aid. It is in fact doubtful that these countries would be willing to pay the full cost of NATO membership.

7. South Africa would be neither a political nor a military asset to NATO and might be a liability.

On balance, it appears that Canadian interests would not be best served by granting membership in NATO to Australia, New Zealand and South Africa. Nevertheless, it seems important that we should adopt a positive rather than a negative approach to the Australian interest in NATO. Perhaps the most promising proposal which we could make is that the Pacific Council should be given the same association with NATO as the European Defence Community has, that is, joint consultation on request when questions of common concern are under discussion. This would appear to meet Mr. Menzies' desire for "access to the mind of NATO" without seriously extending Canadian economic or military responsibilities. It would provide a justification for giving NATO information to Australia and New Zealand without appearing to discriminate against the newer Commonwealth members and without embarrassing us in our relations with them. This arrangement would also avoid the association of South Africa with NATO, a prospect which seems of little advantage to us, and would give no grounds for other countries such as Pakistan to press for membership. We might also offer to inform the

Australian Mission in Ottawa as fully as possible on NATO developments which might be of concern to them.

We have not received any positive information indicating that Australia is really interested in becoming a member of NATO. Nevertheless it might be useful to hint to Mr. Menzies that Australia might in fact have more influence in Great Power policies, especially in Southeast Asia, by remaining outside rather than becoming merely one of several small power members.

C.S.A. R[ITCHIE]

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491. DEA/50030-P-3-40

Le sous-secrétaire d'État aux Affaires extérieures
au haut-commissariat au Royaume-Uni

Under-Secretary of State for External Affairs
to High Commission in United Kingdom

LETTER No. D-1525 Ottawa, July 16, 1952

SECRET

RELATIONSHIP OF AUSTRALIA, NEW ZEALAND AND SOUTH AFRICA TO NATO

As a result of the visit of Mr. Menzies to Ottawa, the question of the relationship of Australia, New Zealand, and South Africa to NATO, including the question of membership, has been under discussion in the Department.[61] Attached is a copy of a memorandum, prepared in the Department, summarizing the advantages and disadvantages of their membership.[62]

2. Under the disadvantages, it should be recalled that the Treaty would have to be amended to permit the inclusion of Australia, New Zealand and South Africa. Such an amendment would emphasize the change from the original concept of the Alliance, which is now open, by unanimous agreement, to European states in a position to further the principles of the Treaty and to contribute to the security of the North Atlantic area (Article 10).

3. You will have seen from Despatch No. 1157 of July 9 to Washington about Mr. Menzies' remarks in a Press Conference and the Minister's comments.† In this connection, you will recall the exchanges between Mr. Pearson and the Foreign Ministers of Australia and New Zealand last October to assure them that the development of Article 2 of the Treaty would not weaken our Commonwealth ties or traditional Commonwealth channels of communication.

4. It would be helpful to have a report on what the United Kingdom is doing to keep Commonwealth Governments informed on NATO affairs. We have, from time to time, told officials of Commonwealth missions here that we should be glad to give them whatever information we could on NATO developments, but, in fact, only the New Zealand and Australian missions have shown any interest. At the time the Committee of Five was established, the

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[61] Voir les documents 667-669./See Documents 667-669.

[62] Voir le document précédent./See immediately preceding document.

Minister sent a special message to the Australian and New Zealand Ministers of External Affairs to reassure them that our Commonwealth associations would not be overlooked in developments relating to the Atlantic Community. After the Rome and Lisbon meetings, officials of the Department made a special point of discussing developments at these meetings with officials of the Australian and New Zealand missions. But we have not established any special or systematic procedure for informing Commonwealth missions, and when we have discussed NATO matters, discussions have been on a bilateral basis. Generally speaking, we have felt that the initiative should be left to Commonwealth missions to seek information, rather than with the Department. You may think it desirable to explain our practice in this regard to the U.K. authorities.

L.D. WILGRESS

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492. DEA/50030-P-3-40

Le haut-commissariat au Royaume-Uni
au sous-secrétaire d'État aux Affaires extérieures

High Commission in United Kingom
to Under-Secretary of State for External Affairs

LETTER No. [unnumbered] London, July 26, 1952

SECRET

RELATIONSHIP OF AUSTRALIA, NEW ZEALAND AND SOUTH AFRICA TO NATO

Reference: Your letter D.1525 of July 16th, 1952.

I was interested to receive your despatch under reference, together with the copy of the Departmental memorandum of June 10th summarizing the advantages and disadvantages of possible membership of the older Commonwealth countries in NATO. I am in full agreement with the principal conclusion of the memorandum that on balance Canadian interests would not be best served by granting membership in NATO to Australia, New Zealand and South Africa. As the memorandum points out, NATO is a regional organization concerned specifically with the defence of the North Atlantic Treaty area. The defence interests of Australia and New Zealand, on the other hand, are primarily concerned with the defence of the Pacific area, including South East Asia, and the Middle East. South Africa is already committed to assisting in the defence of the Middle East. Further, in the light of the available information, it would appear that Mr. Menzies has not himself raised the question of Australian membership in NATO but, as described in paragraph 2 of telegram WA.1400 of May 23rd from our Embassy in Washington,† wished to have what he called "access to the mind of NATO because discussions in NATO and NATO action had such profound effects all round the world, incuding areas in which Australia had direct concern." We have not yet received copy of despatch No. 1157 of July 9th to Washington, to which you refer in paragraph 3 of your letter of July 16th. During Mr. Menzies' visit to London, however, I was told by Mr. Alan Watt[63] that the Australian Government fully accepted the view that they should not seek NATO membership, but should concentrate on making a success of the new Pacific Council.[64] Watt also favoured working out appropriate methods of consultation between the new Council and NATO. Such consultation might include not only the exchange of appropriate documentation but also joint meetings of the two Councils when matters of common concern are under discussion. Obviously the Australian position (and the "bridge" between the two regional groups) would be considerably stronger if the United Kingdom could be associated with the new Pacific arrangements, and eventually become full members of the Pacific Council (see paragraph 3 of my telegram No. 1432 of June 21st).[†]

2. In the circumstances, therefore, I feel that the Departmental memorandum is on the right lines in suggesting that we should adopt a positive, rather than a negative, approach to the Australian interest in NATO, and that perhaps the most effective means of keeping the Australian and New Zealand Governments informed of NATO action would be to work out some arrangement for the exchange of information and for joint consultation between the new Pacific Council, which is to hold its first meeting in Honolulu on August 4th, and NATO. I note from paragraph 2(c) of telegram WA.1755 of July 3rd from our Embassy in Washington[†] that the State Department has proposed that on the occasion of the first meeting of the new Pacific Council the question of the relationship between the organization to be established under the Tripartite Security Treaty and NATO and other regional organizations should be discussed.

3. So far as the position of South Africa is concerned, I should think that parallel action might be taken as and when the nucleus of the Middle East Defence Organization, which is now under consideration, is established, with parallel arrangements for the exchange of information being worked out between MEDO and NATO.

4. We have spoken to the Commonwealth Relations Office about the question of Commonwealth consultation on NATO affairs, outlining our own practice as summarized in paragraph 4 of your letter under reference. We were told by Neil Pritchard[65] that the United Kingdom authorities have not established any special or systematic procedure for informing Commonwealth missions, although they have been prepared to keep other interested Commonwealth

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[63] Du ministère des Affaires extérieures de l'Australie ; membre de la délégation australienne à la réunion du Conseil de l'ANZUS à Honolulu.
Of Department of External Affairs of Australia; Member of Australian delegation to ANZUS Council Meeting in Honolulu.

[64] Le Conseil a été formé en vertu des dispositions du traité tripartite sur la sécurité (Australie, Nouvelle-Zélande, États-Unis).
The Council was established under the terms of the Tripartite Security Treaty (Australia, New Zealand, United States).

[65] Sous-secrétaire adjoint du Commonwealth Relations Office du Royaume-Uni.
Assistant Under-Secretary, Commonwealth Relations Office of United Kingdom.

Governments informed in a general way of trends and developments in NATO. Here, too, the only Commonwealth Governments which have shown any signs of interest are the Governments of Australia and New Zealand and, to a lesser extent, South Africa. One development worth noting is that since the transfer of the NATO headquarters to Paris, the Commonwealth Relations Office has included in the general distribution of Foreign Office telegrams now being sent to the four older Commonwealth missions a selection of reports on the activities of the Council sent to the Foreign Office by the United Kingdom Permanent Representative in Paris. These telegrams, which are intended for background information only, give a general picture of the trend of the discussion in the Council and of the principal problems with which NATO is currently dealing. Officials of these Commonwealth missions occasionally visit the C.R.O. or the Foreign Office with queries on NATO subjects.

5. You will recall that some time after the Lisbon meeting the Commonwealth Relations Office proposed informally to this Office that some further steps might be taken in London, as a consequence of the move of NATO to Paris, to keep the Australians, New Zealanders and South Africans in close touch with current NATO developments. At that time the C.R.O. had been thinking of holding periodical and informal meetings at which representatives of these Commonwealth missions would be given general progress reports on NATO developments, and hoped we would, as a Commonwealth member of NATO, participate in such meetings. This matter has not been raised again, and I understand from the C.R.O. that in fact no such general meetings have yet been held. It is quite possible, however, that the suggestion will be made again and you may wish to consider what attitude we should adopt if it is. My own feeling is that providing the meetings are held on an informal basis and at the official level there would be no harm done in occasional meetings called for the purpose of keeping the interested Commowealth governments, which are not members of NATO, generally informed of the work which is being carried on. The question of the distribution of NATO documents, of course, presents special difficulties, and I do not think this would be an integral part of the scheme. In any event, the need for such meetings would presumably diminish when regular procedures for exchanging documentation and information between the Pacific Council and NATO are evolved.

6. I am sending copy of this despatch to our Delegation to NATO in Paris.

N.A. Robertson
Canada House

493. DEA/50030-P-3-40

Le haut-commissariat au Royaume-Uni
au sous-secrétaire d'État aux Affaires extérieures

High Commission in United Kingdom
to Under-Secretary of State for External Affairs

LETTER No. 2881 London, July 29, 1952

SECRET

RELATIONSHIP OF AUSTRALIA, NEW ZEALAND AND SOUTH AFRICA TO NATO

Reference: My letter of 26th July, 1952. (unnumbered in error)

In paragraph 5 of my letter under reference, and in referring to the earlier suggestion made informally by the Commonwealth Relations Office that officials of the older Commonwealth missions in London might hold occasional meetings to receive reports on general NATO developments, I stated that it was our understanding that no such meetings have as yet taken place.

2. In a subsequent conversation with Cleary, Head of the Western and United Nations Department in the C.R.O., we learned that in fact one meeting was held, and that it is hoped to be able to include developments in NATO as one of the subjects which lend themselves to informal meetings at the official level of the kind which I have described. It is the feeling of C.R.O. officials that it is appropriate to restrict meetings on defence subjects (including NATO) to officials of the four older Commonwealth Governments on the ground that India, Pakistan and Ceylon do not at this stage place great emphasis on joint defence arrangements.

3. In the light of the foregoing I should be glad to hear whether you agree that if meetings of this kind are called at the C.R.O. it would be reasonable for us to send a representative.

N.A. ROBERTSON
Canada House

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494. DEA/50030-P-3-40

La délégation auprès du Conseil de l'Atlantique Nord
au sous-secrétaire d'État aux Affaires extérieures

Delegation to the North Atlantic Council
to Under-Secretary of State for External Affairs

LETTER No. 600 Paris, August 4, 1952

SECRET

RELATIONSHIP OF AUSTRALIA, NEW ZEALAND AND SOUTH AFRICA TO NATO

Reference: Your letter D-1525 of July 16, to the Office of the High Commissioner for Canada, London, and their reply of July 26.

In discussing from the standpoint of consultation between Commonwealth countries the relations to be established between the Pacific and the NATO councils, perhaps we should consider also the machinery which should be developed in Canberra and Wellington to keep other Commonwealth governments informed of trends and developments in the Pacific Council. In taking a positive approach to the Australian interest in NATO, we will be in a better position to expect reciprocal treatment from Australia as regards the Pacific Council.

2. The U.S.A. will be the only country which will belong to both organizations. The U.S. Permanent Delegates on each body will no doubt keep each other informed of developments within their respective organizations and it is probable that, in fact, the U.S. will provide the most important and for all practical purposes a quite effective informal link between the two councils irrespective of the formal machinery which may have to be developed for consultation between the two organizations.

3. If the relationship between the organization contemplated under the Tripartite Security Treaty and NATO is discussed at the forthcoming meeting in Honolulu, some report will probably be made to the NATO Council by the U.S. Permanent Delegate. You might wish even to consider, if no such report is made, whether on a suitable occasion, for instance at an informal meeting of the Council, the U.S. Permanent Delegate might not be invited to advise his NATO Colleagues on any points of interest to NATO which might have arisen at the Honolulu meeting. If this practice were to be developed whereby the U.S. representative would report on developments of significance to NATO in the Pacific Council, the situation would be comparable to that relating to the EDC Interim Committee. Alphand, who happens to be the Chairman of the Steering Committee of the EDC, will now, as you know, report periodically to the NATO Council on developments within the Steering Committee.

4. As regards the exchange of documentation and official liaison between the two organizations, I am not sure to what extent they will, in fact, be required and, in practice, feasible. This is a matter which should be examined carefully, possibly by a Working Group in the Council. I assume that the U.S. delegate will take the initiative in this regard.

5. I am sending a copy of this letter to the Office of the High Commissioner for Canada, London.

495. DEA/50030-V-40

Le sous-secrétaire d'État aux Affaires extérieures
au haut-commissariat au Royaume-Uni

Under-Secretary of State for External Affairs
to High Commission in United Kingdom

LETTER No. D-1749 Ottawa, August 19, 1952

SECRET

RELATIONSHIP OF AUSTRALIA, NEW ZEALAND AND SOUTH AFRICA TO NATO

We have been considering the question of the Commonwealth meetings which the United Kingdom proposes to call in order to keep members informed on NATO subjects and, in particular, the advisability of Canada House participating.

2. While we can understand why the United Kingdom would think it desirable to limit the attendance at such meetings when some subjects are being discussed, the idea of discriminating between old and new Commonwealth members does not appeal to us. Furthermore, as the main purpose of the meetings would be for the United Kingdom to give information on NATO questions to the non-NATO members of the Commonwealth, there would not appear to be any particular reason why Canada House should attend, for the same NATO sources of information are, of course, open to us as are open to the United Kingdom. Also, since the Council has moved to Paris, Canada House is no longer directly involved in the work of NATO.

3. On the other side of the question, that of Canada providing NATO information to Commonwealth members, as you know we are ready and anxious to contribute and have developed the practice of passing on from here, through the High Commissioners in Ottawa or though our offices in Commonwealth countries, appropriate NATO information which we think would be of interest to them. Therefore, the presence of a Canadian representative at the London Commonwealth meetings would not be necessary in order to give our information to our Commonwealth colleagues.

4. Would you please explain this to the Commonwealth Relations Office and tell them that, because of these considerations, Canada House will not normally be represented at any regular Commonwealth meeting to discuss NATO questions. I am particularly anxious, however, that the Commonwealth Relations Office should understand that we are in complete sympathy with the idea of sharing NATO information with our Commonwealth colleagues and that we, for our part, have been passing pertinent NATO information to the others from Ottawa, and shall continue to do so.

L.D. WILGRESS

496. DEA/50030-P-3-40

Le sous-secrétaire d'État aux Affaires extérieures
à la délégation auprès du Conseil de l'Atlantique Nord

Under-Secretary of State for External Affairs
to Delegation to the North Atlantic Council

Letter No. D-166 Ottawa, September 6, 1952

Secret

NATO-ANZUS LIAISON

Reference: Your Letter No. 600, August 4.

Your Letter No. 600 of the 4th August raised the question of liaison between the countries participating in the Pacific security arrangements and NATO. At the time of Mr. Menzies visit to Ottawa we had been thinking along the lines of some formal link between Anzus and NATO. An institutional association between NATO and the Pacific security group would have provided a link which would have been identified to those who promote Canadian association with Pacific defence. However, it seems that for the time being at least, there is to be no formal tie between the defence groups in the Pacific and the Atlantic.

The reports on the Honolulu Conference from Washington and from Canberra make it clear that Mr. Acheson's view prevailed, that at the present, any formal cooperative connection between NATO and ANZUS would be impractical. Throughout the meetings, it was stressed that ANZUS was simply a tripartite security arrangement and not a Pacific Pact. Hence, the emphasis on the new title coined by Mr. Acheson.

3. We have learned from Canberra that although the establishment of machinery for an ANZUS Council will enable Australia to cooperate actively with the United States in strategic defence planning, Australia's contact with NATO will not be as close as that Government had hoped. For your information, we are enclosing a copy of the five telegrams listed below:

No.	*Date*	*From*
WA-2037†	August 11, 1952	Canadian Ambassador to the United States
WA-2038†	August 11, 1952	〃
WA-2039†	August 11, 1952	〃
WA-2040†	August 11, 1952	〃
No. 73†	August 16, 1952	High Commissioner for Canada, Canberra

You will see that no positive procedure for informing NATO of Pacific security arrangements was adopted. In the circumstances, I think an arrangement such as the one you suggest, whereby the U.S. representative on NATO would report significant ANZUS developments, would have to suffice and would probably be acceptable. You might explore this informally with your American colleagues and let me know their reaction. I am sending a copy of this despatch to the Embassy in Washington and asking them to sound out the State Department on what plans they may have for keeping NATO informed of ANZUS affairs.

4. From a review of Mr. Acheson's statements to Mr. Menzies in Washington and the reports of the Ottawa conference one gets the impression that the United States wish to keep their various groups of defence associates, one might almost say customers, separated and unconnected by formal links so that the administration would be free to deal with them as they saw fit and alone be responsible for deciding on the relative priority of the claims of the several areas.

L.D. WILGRESS

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497. DEA/50030-P-3-40

Le sous-secrétaire d'État aux Affaires extérieures
à la délégation auprès du Conseil de l'Atlantique Nord

Under-Secretary of State for External Affairs
to Delegation to the North Atlantic Council

LETTER No. D-213 Ottawa, October 3, 1952

SECRET

NATO-ANZUS LIAISON

Reference: Our letter No. 166 of September 6.

Enclosed for your information is a copy of letter No. 2091 of September 29,† from the Embassy in Washington reporting on conversations in the State Department on the subject of NATO-ANZUS liaison. You will see that Ambassador Draper asked the State Department for instructions on this matter, possibly as a result of your inquiries.

While it does not appear that Mr. Acheson has yet approved instructions on this matter, the State Department line will apparently be that they will argue against Draper reporting to the Council on ANZUS at this time. However, Mr. Acheson in the course of his review of strategic and political problems at the next Ministerial meeting would probably include a reference to ANZUS in general terms.

The State Department recognize that this might not go far enough to meet what we had in mind. However, the delicate situation which has arisen regarding U.K. observers at ANZUS and the Australian and New Zealand desire for closer association with NATO makes it difficult in their judgment to go beyond what they propose at this time.

You will see that Canada and the U.K. are to be kept fully informed on ANZUS developments on a bilateral basis. The State Department have not put aside the possibility of developing ultimately some broader defence arrangements for the Pacific.

L.D. WILGRESS

11e PARTIE/PART 11

RÉUNION MINISTÉRIELLE
DU CONSEIL DE L'ATLANTIQUE NORD, PARIS, 15-18 DÉCEMBRE 1952
MINISTERIAL MEETING OF THE NORTH ATLANTIC COUNCIL, PARIS, DECEMBER 15-18, 1952

498. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa,] December 4, 1952

. . .

DECEMBER MEETING OF THE N.A.T.O. COUNCIL

12. *The Minister of National Defence* referred to his departure to attend the meeting of the Council of the North Atlantic Treaty Organization. In the discussions in the Council he would avoid any commitments that would bind Canada with regard to future programmes.

13. *The Cabinet* noted with approval the remarks of the Minister of National Defence and agreed that, in his attendance at the December meeting of the Council of the North Atlantic Treaty Organization, he avoid any commitment by Canada with regard to future programmes.

. . .

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499. DEA Library

Communiqué de presse du ministère des Affaires extérieures

Press Release by Department of External Affairs

No. 79 [Ottawa,] December 5, 1952

FOR IMMEDIATE RELEASE FRIDAY, DECEMBER 5, 1952

There will be a Ministerial Meeting of the North Atlantic Council in Paris commencing on December 15. Canada will be represented by the Minister of National Defence, Mr. B. Claxton, and the Minister of Finance, Mr. D.C. Abbott. The chief advisers to the delegation will be Mr. L.D. Wilgress, Under-Secretary of State for External Affairs; Mr. A.D.P. Heeney, Canadian Permanent Representative on the North Atlantic Council; Lieutenant-General Charles Foulkes, Chairman of the Chiefs of Staff Committee; Mr.J.J. Deutsch, Director of the International Economic Relations Division of the Department of Finance.

500. DEA/50102-C-40

Note de la Iʳᵉ Direction de liaison avec la Défense au sous-secrétaire d'État aux Affaires extérieures

Memorandum from Defence Liaison (1) Division to Under-Secretary of State for External AFfairs

CONFIDENTIAL Ottawa, December 20, 1952

MINISTERIAL MEETING OF THE COUNCIL: PRESS PUBLICITY[66]

I think it might be useful to comment briefly on one aspect of the recent Ministerial meeting of the North Atlantic Council in Paris which particularly impressed us from the Ottawa end. That was the generally negative and depressing tone of most of the publicity which the meeting received in the Canadian press. Almost without exception the picture painted was that of indigent member countries dragging their feet on defence expenditure and falling short of the minimum effort required to guard against aggression, in spite of dire warnings by the military authorities of the consequences. A number of clippings are attached to illustrate my point.

2. The reasons for this unfortunate publicity can, I think, be summarized as follows:

(a) the contrast between the generalities released to the press on most of the items under discussion and the detailed exposition of the question of infrastructure, thus leading people to expect positive results on this item;

(b) the disproportionate importance which was consequently placed on infrastructure and on the cuts that were made in the recommended programme; and

(c) the constant undercurrent of comment, some of it from representatives of SHAPE and some of it from American officials, which accompanied the meeting and which were designed to emphasize what they deemed it was essential for the meeting to accomplish.

3. The fact that there were few positive results to report on most of the items on the agenda could not of course be helped. It was in the nature of this meeting, coming as it did before the Annual Review could be completed. The general terms of the communiques issued about the various progress reports were in accordance with the agreed line of treating meetings of the Council as normal and unspectacular events. In contrast to this, however, a considerable amount of detail, including the cost estimates of the programmes recommended by the Supreme Commanders, was released on infrastructure. In view of this, and of the fact that shortly before it had been decided to make public a good deal of information on infrastructure which had previously been classified, it is hardly surprising that the press was led to believe that infrastructure was the one question on which great decisions were expected from the Council. In addition it appears that it was not sufficiently clearly

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[66] Note marginale :/Marginal note:
Noted and agreed. W[ilgress]

explained to the press that the infrastructure expenditures contemplated were a relatively small proportion of the total defence expenditures of the NATO countries.

4. The large cut that was made in the infrastructure programme for 1953 was therefore misrepresented in many press reports as a general cutback in the defence expenditures of all the NATO countries. It was apparently not explained — or not sufficiently emphasized — to the press that obtaining agreement at this Council meeting to sharing the cost of the next slice of infrastructure was in itself an achievement, since a number of member countries were opposed to approving any amount for this purpose until the Annual Review had been completed and firm force goals for 1953 had been set. Instead of drawing attention to the advantage gained by approving infrastructure expenditures now in order to avoid any delay in making full use of next year's construction season in Europe, the whole stress seems to have been laid on the gap between the amount member countries appeared to be willing to contribute and the amount deemed necessary by the military authorities. The impression of this gap was heightened also by the expectations aroused by early reports of increased defence expenditure next year by NATO countries.

5. This unfortunate emphasis was made repeatedly in statements issued to the press by SHAPE representatives and United States officials during the course of the sesson. It was of course still further heightened by the interpretation placed by the press on the speech made by General Ridgway to the NATO Defence College after the session had ended. It may be impractical to try to define more closely the terms governing public statements by NATO Commanders but this unhappy incident seems to illustrate the inadequacy of the rather loose arrangement recently agreed between the Council and the Standing Group.

6. I have no particular suggestions as to how these shortcomings might be eliminated in future but merely wish to record the fact that from Ottawa the recent Ministerial meeting of the Council did not appear to make a very favourable public impression.

BENJAMIN ROGERS

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501. DEA/50102-C-40

Note du sous-secrétaire d'État aux Affaires extérieures au secrétaire d'État aux Affaires extérieures

Memorandum from Under-Secretary of State for External Affairs to Secretary of State for External Affairs

TOP SECRET Ottawa, December 29, 1952

REPORT ON THE MINISTERIAL MEETING OF THE NORTH ATLANTIC COUNCIL, PARIS, DECEMBER 15-18, 1952

Attached is a memorandum which goes into some detail on the action taken by the Ministerial Meeting of the Council on the various items on its agenda. On the whole, I think it would be fair to say that the meeting was no less successful than we had expected and some features of it were of considerable importance.

2. The meeting gave Ministers an opportunity to see the new International Secretariat in operation. They were put in touch with the Supreme Commanders and other senior commanders who participated in the meetings. An additional infrastructure programme was approved, and in connection with this and with other decisions of the meeting, we saw again how difficult it is to direct the Press to a reasonable appreciation of what the Council is attempting to do. The discussions on political topics of common concern were, on the whole, less productive than they had been on other occasions, but Mr. Acheson's persuasive valedictory speech demonstrated the value of personal contact between Ministers. The French handling of their problem of bringing Indo-China more into the NATO orbit was very sensitive, and the position in which NATO now finds itself on this question calls for careful examination.

3. There was no doubt that the meetings ran more smoothly as a result of their being held at the Permanent Headquarters where the Secretariat was well established. On the other hand, there is some feeling that Lord Ismay is not able to exert the influence and authority which the Secretary-General should have in directing the business of the Council. His duties in this field he seems to leave almost entirely to Coleridge, his Executive Secretary, and Lord Ismay admits almost too readily that he is ignorant about a lot of the matters which the Council must discuss. On the other hand, it is understood that Ismay's influence in building up the esprit de corps of the Secretariat and maintaining the desirable atmosphere and stature of the Council is most valuable.

4. The increased extent to which the Supreme Commanders and other military authorities were brought into touch with the work of the Council was a useful development. On the other hand, the behaviour of General Ridgway in regard to the publication of his address to the Council in secret session was unhappy and despite the efforts which were made to avoid undesirable publicity, had an unfortunate reaction in the Press. The way the incident ended with Ridgway's public speech before the NATO Defence College certainly did not enhance the pre-eminence of the Council, and it would seem necessary to be watchful in the future lest a similar situation develop again and the practice grow of requesting the release of statements made to the Council.

5. Again the Council had to resort to the "Community-Chest-Campaign" techniques for raising funds for the infrastructure programme, and the resolution adopted on this item wisely points to the desirability of arranging somehow for infrastructure to be considered as an integral part of general defence plans and not as an isolated item for independent financing.

6. The amount of publicity, chiefly distorted, which the decision on this subject received can be accounted for, I suppose, by the fact that it was the chief substantive decision of the meeting — certainly the only one which could be expressed in dollars and cents. General Ridgway's forceful and almost intransigent plea for his complete programme, in which he persisted in the face of clear indications of its practical impossibility, gave the Press an opportunity for playing up a division between the Military and the Council and crying

failure on the whole defence effort. One would have hoped that Press guidance could have presented the infrastructure decision in a better light as a new undertaking which, although it did not provide for all the Supreme Commanders would wish, was nevertheless an addition to the infrastructure projects already agreed to. As it was, the Press contrived to leave the impression that there had been at least a moral undertaking to provide the full programme and that the decision to subscribe 82 million pounds represented a cut-back of 45% from an earlier commitment or plan.

7. It would not be correct to say that there had been any real discussion on political questions of common concern, but the presentations made by the several Foreign Ministers were not without interest. In particular, the French did not go as far in presenting the case for "NATO-izing" Indochina as we had been led to expect. On the other hand, Mr. Schuman, by not taking the question to the point of suggesting a material undertaking from members, got a very good hearing and unanimous support for a resolution which, although apparently quite innocuous, will probably be used as the framework in which the French will sketch out a plan for much more precise assistance in their Indo-Chinese engagement.

8. It is perhaps worth noting that the Italians gave the impression of being more accommodating both in the Military Committee and in the Council, in particular in their statements about Italian-Yugoslav relations where they were content with asking the Council for understanding of the psychological and political reactions of the Italian public and the reasons why present circumstances unfortunately hindered the possibility of effective co-operation between the two countries.

L.D. W[ILGRESS]

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502. DEA/50102-C-40

Rapport sur la réunion ministérielle du Conseil de l'Atlantique Nord

Report on Ministerial Meeting of North Atlantic Council

TOP SECRET December 29, 1952

REPORT ON THE MINISTERIAL MEETING OF THE NORTH ATLANTIC COUNCIL PARIS, DECEMBER 15-18, 1952[67]

The first Ministerial Meeting of the North Atlantic Council since the Lisbon reorganization was held in Paris, seat of the Permanent Headquarters, from the 15th to 18th December. Before the Ministers met, the Military Committee held sessions in Paris and also met with the Council and approved several reports which were passed to Ministers for consideration. The agenda for the Ministerial Meeting is attached.[†]

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[67] Voir aussi «Réunion ministérielle du Conseil de l'Atlantique Nord», *Affaires extérieures*, vol. 5, n° 1, janvier 1953, pp. 2-6.
See also "North Atlantic Council Ministerial Meeting, Paris, December 15-18, 1952", *External Affairs*, Volume 5, No. 1, (January 1953), pp. 2-6.

2. The first meeting of the Ministerial Session was a public one which was opened with an address by Mr. Kraft, the Foreign Minister of Denmark, who is now the Chairman of the Council. Mr. Schuman, the Foreign Minister of France, and Mr. de Gasperi, the Premier of Italy, also addressed the meeting. Their remarks were of a general formal character, Mr. Schuman dealing particularly with the necessity for an equitable division of the defence burden and Mr. de Gasperi accenting the desirability of encouraging the development of the non-military aspects of NATO.

Secretary-General's Report

3. At their first secret session, the Ministers began with a consideration of the first report by the Secretary-General. Lord Ismay had prepared this as a personal report, reviewing the activities of the Council in the light of his responsibilities. He drew particular attention to the five following points. The preparation of the Annual Review survey had placed an extremely heavy burden on the Secretariat and, in Lord Ismay's opinion, they could not continue to work under such pressure.[68]

4. Although progress had been made in establishing an efficient international staff, the Secretary-General considered the conditions of pay to be most unsatisfactory and requested Finance Ministers to give attention to this question which, in his opinion, seriously affected the efficiency of the Secretariat.

5. He drew attention to the section of his report on information policy, where he enlarged on the view he has often expressed to the Council that some Governments are not devoting enough attention to the problem of dispelling public apathy and stimulating public interest in NATO.

6. He mentioned two points of organization which he proposed to put before the Council in the near future in an effort to increase its efficiency. The first concerned the difficulties which arose as a result of the separation of the Standing Group, the principal military advisers to the Council, in Washington from the Council itself at its permanent headquarters in Paris.

7. The second was the lack of adequate contact between NATO and the other free nations.

8. Mr. Lange, the Foreign Minister of Norway, commented on the Secretary-General's report. He concentrated his remarks on the problem of giving more publicity to NATO activities. In his view, this called for better liaison between the military and civilian agencies and for constant supervision of the information policy of all subordinate organs by the Council. He referred particularly to the difficulties which arose from the practice of over-classifying NATO documents. Information which was public in individual countries, when

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[68] En marge de ce paragraphe, on trouve l'annotation suivante :
The following is in the memorandum beside this paragraph:
Minister's copy only.

collected and issued in a NATO document, was frequently marked "Secret" with the result that it could not be used by NATO for information purposes.

9. Mr. de Gasperi, the Italian Premier, agreed with Mr. Lange's views and took them a little further in advocating the establishment of a coordinating and directing centre in NATO for political warfare. In making this suggestion, he recognized that each Government should, of course, remain free to decide whether and to what extent it would undertake action in the field of propaganda and counter-propaganda, taking into account the political, economic and psychological characteristics of its people, but he did feel that there was scope within NATO to assist member countries in their individual efforts in countering communist propaganda within the NATO area by providing information material.

10. The report of the Secretary-General was accepted and the views of Norway and Italy noted.

Military Committee Report

11. Item II on the agenda was the report of the Military Committee. This was divided into two sections, one consisting of a number of items which merited particular consideration by the Council, and the other a series of reports not requiring Council action.

12. The Council discussed the question of defensive arming of merchant ships which the Military Committee had not been able to solve. This is a long outstanding problem where the difficulty arises from the desire of some of the smaller powers with large merchant fleets to have others share the burden of their defensive armament. The Council approved the resolution of the Military Committee, which expressed the hope that the United States and perhaps Canada could give sympathetic consideration and due priority to the requirements of these nations under a system of bilateral arrangements. It was recognized that this system would not preclude Canada from seeking the advice of the Standing Group should any armament become available for distribution as mutual aid.

13. General Ridgway and Admiral McCormick[69] had been invited to attend the Council, and on the Chairman's invitation they both addressed the meeting. Copies of their statements are attached.[†] General Ridgway began his remarks by outlining the principles by which he was guided in carrying out his duties. He recognized, in particular, the inseparable political, economic and financial factors in the problems confronting military commanders and that the responsibility for final decisions rested with the North Atlantic Council. He then went on to describe in forceful language the inadequacy of the forces at his disposal for carrying out his mission. This, of course, was not news to the Council. NATO defence plans had been drawn up in an effort to provide adequate forces by 1954 and there had never been any thought that the forces

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[69] L'amiral Lynde D. McCormick, commandant suprême allié de l'Atlantique.
Admiral Lynde D. McCormick, Supreme Allied Commander, Atlantic.

which would be at the disposal of the Supreme Allied Commander Europe in December 1952 would be sufficient.

14. Admiral McCormick spoke very much in the same vein. He emphasized that the forces at present planned (sic) were not sufficient to insure effective control of the area of his command, and while he recognized the economic strains imposed by the defence effort he felt that it was the duty of the military commanders to place their requirements clearly before the Council.

15. The Chairman informed the Council that General Ridgway wished his statement to be released to the Press as soon as possible and, in fact, had prepared it with publication in view.

16. There could be no objection on security grounds to the release of Ridgway's statement. However, there might be undesirable political consequences from presenting an unbalanced picture. Furthermore, there would be serious objections in principle to agreeing that statements made to the Council in secret session would be made public at the request of the speaker.

17. After some discussion at a subsequent meeting, the Council decided that the gist of General Ridgway's statement would be given in the final communique. When the communique was being prepared, agreement could only be obtained to the inclusion of a short paragraph which did not satisfy General Ridgway, and it was therefore decided that a paraphrase of his remarks would be prepared by the Secretariat and cleared with him and with the (permanent) Council at an early session after the Ministerial meetings were concluded. Before this clearance could be obtained General Ridgway made a public address at the closing of the NATO Defence College which was, in fact, almost the same speech that he had made before the Council. In the circumstances, it was decided that there was no longer any point in releasing his statement before the Council. A further feature of this unfortunate incident was that the Press chose to interpret his remarks as a criticism of the Council. Whereas he used strong language in describing the inadequacy of the forces at his disposal and therefore by implication criticized the members of NATO for not providing larger defensive forces, it does not seem correct to interpret his remarks as a criticism of Council action.

18. The next item on the agenda was the infrastructure programme for 1953. SACEUR and SACLANT described to the Council the urgency and necessity of providing these facilities in order to assure the most effective employment of the forces under their command. A special committee of Ministers was set up to examine the programme which had been approved by the Military Committee and to determine what funds would be available to finance the projects. After several meetings, it was established that only £78.5 million could be subscribed at this time towards a programme priced at £82 million. The Standing Group in consultation with SACEUR and SACLANT approved a programme at this figure. SACEUR stressed that this arbitrary reduction from his proposed programme of £160 million in no way reflects any change in SACEUR's military commitments nor, in his estimate, of the essential infrastructure requirements needed to meet them. He insisted that he could not over-emphasize the importance nor over-stress the urgency of making good at

the earliest opportunity those facilities now omitted from his original programme, although he was aware that the present conditions of economic and financial stringency made these reductions necessary.[70]

19. Canada agreed to a contribution of £4.9 million determined on the basis of 6% of the £82 million programme. It was reduced to this figure when it became clear that some countries, notably the U.K. and France, had a definite ceiling on the amount they would contribute irrespective of the size of the programme. For our part, we were prepared to go to 6% of the recommended programme if others would contribute proportionally.

20. Item IV on the agenda was a proposal by the Military Committee to establish a new command organization in the Mediterranean. This was approved by the Council and, as a result, Admiral Mountbatten[71] was designated as Commander-in-Chief Mediterranean. He would come directly under SACEUR and would be responsible for coordinating with Admiral Carney,[72] who continued as Commander-in-Chief South. The day after his appointment was announced, Admiral Mountbatten, with Admiral Carney, came to Paris for consultations with General Ridgway and made formal appearances before the Council.

Exchange of Views on Political Questions

21. Item V on the agenda was Exchanges of Views on Political Questions of Common Concern. The first topic discussed was Indo-China. Mr. Schuman and Mr. Letourneau, Minister of State for the Associated States, gave the Council a full account of French responsibilities and present conditions in Indo-China. They stressed the political, economic and financial effects on France of the war in Indo-China. These effects reacted significantly on what France was able to do within the framework of NATO, and according to Mr. Schuman played a dominant part in the determination of French policy with regard to Germany and particularly in connection with the European Defence Community. The French Government hoped that the Council would be unanimous in recognizing both the common interest of NATO in the struggle being carried on by France with Indo-China and the necessity to take fully into account the efforts France was making in that area with a view to helping her as far as possible in carrying out her difficult task.

22. Mr. Letourneau gave a detailed review of the military situation and concluded by observing that the efforts of France and the Associated States,

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[70] En marge de ce paragraphe, on trouve l'annotation suivante :
The following is in the memorandum beside this paragraph:
Minister's copy only.

[71] Le comte Mountbatten de Burma, vice-amiral, commandant en chef des forces alliées dans la Méditerranée.
Earl Mountbatten of Burma, Vice-Admiral, Commander in Chief, Allied Forces, Mediterranean.

[72] L'amiral Robert B. Carney, commandant en chef des forces alliées dans le Sud de l'Europe, (1952-).
Admiral Robert B. Carney, Commander in Chief, Allied Forces, Southern Europe, (1952-).

assisted by the United States, might prove insufficient in view of the weight of the burden that was being carried.

23. Mr. Acheson reaffirmed that the United States would continue to the best of its ability to support the French effort in Indo-China, and several other Ministers spoke with understanding of the French position. The Council then adopted a resolution, the text of which is attached, agreeing that the campaign deserves continuing support from the NATO Governments.† Mr. Schuman informed the Council that he recognized that a resolution of this kind could not affect the commitments of NATO countries under the North Atlantic Treaty.

24. Relations between Italy and Yugoslavia were then described by Mr. de Gasperi, who developed the theme that military cooperation between NATO and Yugoslavia would be difficult so long as the political differences with Italy remained unresolved. He asked that the Council understand the psychological and political reactions of the Italian public and the reason why present circumstances unfortunately hindered effective cooperation between Italy and Yugoslavia. Representatives of Greece and Turkey made short reports on their relations with Yugoslavia. The Council agreed that the fact that this question had been discussed should be withheld from publication.

25. Germany was the next topic for consideration, and Mr. Eden made a statement dealing chiefly with the transition of the East German forces from a para-military police force to an effective military machine. He concluded, however, that this development should not be regarded as representing an immediate military threat to the Federal Republic although the long-term significance should not be ignored. He also mentioned the uneasy political situation in Western Germany and, in particular, such incidents as the speech by Ex-General Ramcke, although he felt that in assessing their significance the large measure of support enjoyed by the two major moderate parties — the Christian Democrats and the Social Democrats — should be kept in mind.

26. Mr. Schuman then reported on the progress towards the establishment of the European Defence Community mentioning that, unfortunately, difficulties of a political, psychological, technical and constitutional nature had made impossible the ratification within the six-month period forecast last Spring. Nevertheless, he confirmed that his Government firmly hoped for a successful conclusion in the next few months to the work of establishing the European Defence Community. The President of the Interim Commission had prepared a report which was presented to the Council outlining the useful detailed work which had been accomplished in preparing the way for ratification. Representatives of the Netherlands, Italy, the United Kingdom and the United States spoke in support of early ratification.

27. The Council adopted a resolution along this line, the text of which is attached.†

Article II

28. Item VI on the agenda was the Implementation of Article II of the Treaty. This had been included at the request of the Italian Delegation. Mr.

Pella spoke in favour of a wider development of Article II and, in particular, of the intervention of NATO into the complex field of labour mobility.

29. The Turkish Foreign Minister made the suggestion that NATO activities in the field of economic cooperation should be extended and that NATO should take on those functions of the OEEC which the latter organization, by virtue of its position and nature, was not able to accomplish. A drafting committee was set up to prepare a resolution which was subsequently adopted and given out to the Press with the final communique. The text is attached.[†]

Soviet Situations

30. The next item on the agenda was the paper which had been prepared by the Council on Trends of Soviet Foreign Policy. The paper received the warm approbation of all Ministers who spoke on this item. Mr. Acheson made a prepared statement, the text of which is attached,[†] and the Turkish and French representatives made suggestions which were approved for further consideration by Permanent Representatives. The French wished the part of China in Soviet policy to be studied and the Turkish felt that Soviet policy in the economic and commercial conduct of the cold war was not stressed sufficiently.

31. It was agreed, on the suggestion of the United Kingdom representative, that the final communique should stress one aspect of Soviet foreign policy, i.e., Soviet intention to divide the free world.

32. Items VIII, IX and X on the agenda were three papers from the Military Committee. The first was an estimate of Strength and Capabilities of the Soviet Bloc, the second a new paper on Strategic Guidance, and the third a Military Estimate of the Risk. These papers have a direct bearing on the final consideration of the Annual Review, and in the present incomplete stage of that study they could be little more than interim reports. The paper on Strategic Guidance was a new draft to take into account the accession of Greece and Turkey and the consequent extension of the NATO defence area.

Annual Review

33. Item XI on the agenda was a report on the progress of the Annual Review. Three documents were tabled which gave a comprehensive account of what had been done in this study to date, and after considerable discussion the Council approved a paper outlining further action to be taken in this exercise.[73]

34. The remarks of several Ministers gave an indication of the positions their Governments will adopt in the final stage. The Belgian Foreign Minister stressed the desirability of determining the distribution of the defence burden by multilateral rather than bilateral discussions, and it could be inferred from his remarks that the Belgian Government would not be prepared to put up their maximum figure without knowing what others will do.

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[73] En marge de ce paragraphe, on trouve l'annotation suivante :
The following is in the memorandum beside this paragraph:
Minister's copy only.

35. Mr. Eden's remarks, like those of Mr. Lange, the Norwegian Foreign Minister, forecast a possible cut-back in defence efforts for they both mentioned that the economic burden had been underestimated at Lisbon. Mr. Eden also referred to the desirability of concentrating on developing the quality of forces rather than directing attention predominantly to the increase in the number of divisions. This thought has been brought out in the final communique.

36. Mr. Eden also referred to the unnecessary statistical detail requested in the Annual Review, a position with which we find ourselves much in sympathy, and expressed doubt that all the preparatory work could be completed by "early Spring".

37. The agenda had provided an item for general discussion concerning the determination of the defence effort, and it had been the expectation that the French Delegation would make a plea here for NATO to take over responsibility for the war in Indo-China. However, no one spoke on this item.

Other Items

38. At the Secretary-General's suggestion, an item had been included to bring up for discussion the existing terms of reference calling for a minimum of three Ministerial meetings each year. This provision had been adopted before the organization had been modified to establish the Council in permanent session, and there was a general feeling that the provision was no longer applicable. However, there was no agreed view on whether it would be desirable to provide for meetings of Ministers at certain fixed times or whether they should only be required to meet when items of importance called for their attention. No decision was, therefore, taken regarding the frequency of Ministerial meetings of the Council. It was agreed that Ministers would meet as early as possible in 1953 to deal with the Annual Review and at that time they would consider this question anew. The Secretary-General would prepare a report on what time of the year would suit most members for a final meeting on the Annual Review.

39. Under the item "Other Business" the French presented a resolution recommending that Member Governments expedite the ratification of the agreement on the status of forces, which had been signed on the 19th June, 1951 but which had to date only been ratified by one country. The resolution was approved after several delegations had described their intention to ratify in the near future. The Canadian position was mentioned and, in particular, the situation regarding our forces elsewhere than in the NATO area, which required Canada to delay ratifying the NATO Agreement.

40. The Chairman then made a farewell speech addressed to Mr. Acheson who, with his colleagues, was making his last appearance at the Council before the change in the U.S. administration. Mr. Acheson's reply was a most persuasive plea for European unity, which he developed in the framework of an historical review of the North Atlantic Alliance. Other Foreign Ministers joined in warm tribute to Mr. Acheson and his colleagues and noted the

significant part he has played in bringing the North Atlantic Treaty Organization into being.

41. After the usual wrangle over language the Council agreed on the text of the final communique, a copy of which is attached.[9]

42. The Chairman then announced that the Council stood adjourned until the next meeting of the Permanent Representatives.

CHAPITRE VI/CHAPTER VI

AVIATION CIVILE
CIVIL AVIATION

PREMIÈRE PARTIE/PART I

ORGANISATION DE L'AVIATION CIVILE INTERNATIONALE
INTERNATIONAL CIVIL AVIATION ORGANIZATION

SECTION A

BARÈME DES CONTRIBUTIONS
SCALE OF CONTRIBUTIONS

503. DEA/72-ADU-3-40

Le sous-ministre des Finances
au sous-secrétaire d'État aux Affaires extérieures
Deputy Minister of Finance
to Under-Secretary of State for External Affairs

Ottawa, January 23, 1952

Attention: Mr. J.A. Irwin[1]

Dear Sir:

Your letter of January 10, 1952,† drew attention to the opportunity provided at the forthcoming meeting of the ICAO Council for raising again the question of increasing the maximum contribution to ICAO above its present level of 25 per cent. You enclosed a letter from Mr. Booth in which he stated that he expects Portugal, supported by Brazil, to introduce a proposal to the Council aimed at achieving an increase.

I am pleased to know that some of the other members of ICAO, besides ourselves, are at last showing concern over the unduly low level of the maximum contribution. As you know, we have consistently held that an equitable scale of assessment for any of the United Nations organizations must bear a close relationship to the capacity to pay of the member countries. Although we have accepted the United States argument that no one member should pay too high a proportion of the costs, we have held that a contribution of less than 33⅓ per cent by the United States negates the principle of capacity to pay, and places an unduly heavy financial burden upon the other member countries. At the Fifth ICAO Assembly, Mr. Booth stated the Canadian views on this matter, but lack of interest by other delegations discouraged the Canadian Delegation from formally proposing an increase in the maximum contribution. In his statement Mr. Booth also referred to another unsatisfactory feature of the present ICAO scale, namely, the unduly high per capita contributions of Canada and some other countries in comparison with the per capita contribution of the United States.

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[1] J.A. Irwin, Direction économique du ministère des Affaires extérieures ; délégué à la sixième Assemblée de l'OACI, 27 mai-12 juin 1952.
J.A. Irwin, Economic Division, Department of External Affairs; Delegate to Sixth Assembly of ICAO, May 27-June 12, 1952.

An increase in the proportion paid by the United States is now even more justified than at the time of the last ICAO Assembly. Since then, the United States has obtained a reduction in its contribution to the United Nations from 38.92 per cent to 36.90 per cent. This reduction amounts to about $850,000, since annual United Nations assessments total about $42,000,000. (It may be expected that the United States will seek further reductions in its United Nations assessment next year, to bring it down to the 33⅓ per cent level which Congress has recently established as the maximum to be paid by the United States to the budget of any of the United Nations organizations. In WHO and UNESCO the United States has already succeeded in reducing its assessment to the level of 33⅓ per cent; in ILO, as in ICAO, the United States pays only 25 per cent; the United States contribution to FAO was raised this year from 25 per cent to 30 per cent.)

The Council appears to be fully competent to increase the maximum, if the majority agrees that this should be done. It is probable, however, that the United States will strongly oppose any increase, and particularly an immediate increase to 33⅓ per cent. I believe, nevertheless, that the initial proposal should be for an increase in the maximum to the 33⅓ per cent level. If subsequent discussion reveals that the Council is unable to agree upon an increase to this level at once, the Council might be asked to adopt a smaller increase (say to 30%) as an interim arrangement, provided that a maximum contribution of 33⅓ per cent were accepted as a principle to be implemented in the near future.

An increase in the maximum contribution would make it easier for the Council to agree to the other principle of assessment for which Canada has been pressing in other United Nations bodies, namely, that no member should contribute, on a per capita basis, more than the largest contributor. It would be desirable if the proposal for an increase in the maximum contribution were also to include a proposal to limit the per capita contributions of member countries and to apply all, or part, of the increase in the maximum contribution toward the relief of countries paying unduly high per capita contributions.

We have in the past refrained from urging the acceptance of the per capita principle by ICAO. As long as the United States contribution is at its present low level, the adoption of this principle would require the transfer of relatively heavy burdens to other countries with lower per capita contributions, such as India and Pakistan. With an increase in United States contribution, however, the "per capita adjustments" would be smaller, and the principle could be implemented without causing hardship for any single member country.

I should like to emphasize the importance which this Department attaches to the acceptance of the per capita principle by United Nations organizations. It is difficult to justify the payment by Canada of a higher per capita contribution than the per capita contribution of the United States, whose citizens enjoy the highest per capita income in the world. United States representatives have themselves recognized the justice of making appropriate "per capita" adjustments to assessments, and have supported the adoption of the per capita principle in the United Nations, WHO and UNESCO. Mr. Booth should feel free to ask the United States representative for his support in gaining the adoption of this principle, and should also seek the support of representatives of the other countries with unduly high per capita contributions (see Annex).'

To sum up, it would be desirable if a proposal were put before the Council providing for the following adjustment in the 1953 scale of contributions:

(1) An increase in the level of the maximum contribution from 25 per cent to 33⅓ per cent. If it is impossible to obtain agreement for an immediate increase of this amount, Council should be asked to approve a partial increase (say to 30 per cent), with the adoption of a 33⅓ per cent maximum as a principle to be implemented in the near future.

(2) The limitation of per capita contributions so that no member country is required to pay, on a per capita basis, more than the country that pays the largest contribution. In the event that the maximum is not increased fully to 33⅓ per cent, this per capita principle might be accepted as a principle to be partially implemented now, and fully implemented when the maximum contribution reaches the 33⅓ per cent level.

Mr. Booth has suggested that since Portugal intends to introduce a proposal to increase the maximum contribution, it would suffice for Canada to support Portugal's proposal. If Portugal could be persuaded to include in its proposal a request for the adoption of the per capita principle, we can see certain advantages in having Portugal take the lead. However, if Portugal is not willing to include in its proposal the per capita feature, Mr. Booth should not hesitate to put forward this proposal in the name of Canada.

Yours very truly,

W.C. CLARK

504. DEA/72-ADU-3-40

Le sous-secrétaire d'État aux Affaires extérieures
au représentant auprès de l'OACI

Under-Secretary of State for External Affairs
to Representative to ICAO

Ottawa, January 26, 1952

Dear Mr. Booth:

Your letter of December 15th, 1951, concerning the scale of contributions to ICAO has been considered by this department and the Department of Finance.

It is our feeling that although there will be a further opportunity at the next General Assembly to raise the question of the maximum contribution, we should not permit the Council's proposed discussions of January 29th to be concluded without a presentation of our views on the subject. This does not mean that we need make complete proposals ourselves. We would be glad to see other members of the Council take the initiative on this question, and you can feel free to support any proposal put forward which accords with our views. If such a proposal does not completely meet our requirements you may, if you wish, try to persuade its sponsors to extend its terms. However, if no other members are willing to put forward a proposal which fully satisfies us, I would be grateful if you would submit one. It might be supplementary to a previous proposal or might present our whole case, whichever you think necessary.

I enclose copy of a letter dated January 23rd, 1952, from the Department of Finance which I think you will find most useful in this matter. You may be guided by the suggestions made in the final two paragraphs of the letter.

Yours sincerely,

A.F.W. PLUMPTRE
for Under-Secretary of State
for External Affairs

505. DEA/72-ADU-3-40

Le représentant auprès de l'OACI
au sous-secrétaire d'État aux Affaires extérieures

Representative to ICAO
to Under-Secretary of State for External Affairs

Montreal, February 13, 1952

Attention: Mr. J.A. Irwin

Dear Sir:

This is a report on action taken pursuant to your letter 72-ADU-3-40[2] of 26th January 1952 concerning the ICAO scale of contributions.

After consulting with the Representatives of Portugal and Brazil, I came to the conclusion that the views set forth in your letter could not be adequately expressed merely by supporting the proposals which they put forward. I therefore made my own proposals to Council:

1) That the maximum contribution be increased from 25% to 33⅓%; and

2) That no Member State be required to pay, on a per capita basis, more than the State which pays the largest contribution.

After informal discussions with a majority of Representatives here, I came to the conclusion that it was completely unrealistic to propose that the United States contribution should be raised to 33⅓% for 1953 and after consultation, by telephone, with Mr. Stone of the Department of Finance and your Mr. Irwin, I made a proposal to Council that the raising of the United States contribution to 33⅓% should be made in two equal steps for 1953 and 1954.

It was apparent from the discussions in Council that a number of the Representatives had not received instructions from their Governments and were reluctant to take a position on their own initiative. However, I forced to a vote my proposal that we should recommend to the Assembly for adoption as a principle that the maximum contribution should not exceed 33⅓%. This was resisted vigorously by the United States Representative who stated that, while his Government had accepted the 33⅓% limit for the United Nations, it had never agreed that this should be the limit in the Specialized Agencies. The main reason for this position was that in UN the United States had a preferred position in certain respects, whereas this was not the case in the Specialized Agencies.

This proposal was adopted on a vote of 11 for, 4 against with 5 abstaining. Those in favour were Australia, Belgium, Brazil, Canada, Ireland, Mexico, Portugal, Spain, South Africa, U.K. and Venezuela. Those against were Iraq, Italy, Netherlands and U.S. Those abstaining were Argentina, Denmark, Egypt, France and India. The Netherlands took the most extreme view which was that the highest contribution should not exceed 25%.

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[2] 72-ADU-3-40 désigne pour fins de classement la lettre ; voir le document précédent.
72-ADU-3-40 is actually the file number of the letter; see preceding document.

On the question of the U.S. contribution for 1953, there were a number of proposals which, for the purpose of avoiding confusion and also to enable us to have a clear-cut issue, it was agreed would be reduced to two:

1) That the United States contribution for 1953 should be 29%; and
2) That it should be 27%.

The U.S. Representative had said at an earlier stage that he would be prepared to recommend to his Government an increase to 27% but, when the proposal that the 33⅓% ceiling should be adopted as a principle was under discussion, he indicated that if it were adopted it might prejudice the attitude of his Government on this question. My proposal for 29% was voted on first and secured the support of only Australia, Mexico and Portugal with ten against and six abstentions. I believe the heavy vote against this proposal was due to the fact that the Americans did a considerable amount of lobbying and also that a number of the States concerned are receiving substantial aid of one kind or another from the United States and their Representatives were afraid to take the risk of prejudicing their relations with United States. The abstentions were mainly due to the lack of instructions. After my proposal had been defeated, the proposal for 27% was put and was adopted by 18 votes in favour with 2 abstentions.

It is my view that a well organized attempt, in the Assembly, to increase the U.S. contribution to 29% would have a fairly good chance of success.

My proposal that we should adopt as a principle that no Member State should be required to pay, on a per capita basis, more than the State paying the largest contribution was fully supported by Australia in the discussion with a little half hearted support from one or two others. It was very vigorously opposed by the U.K. and Denmark with U.S., Argentina, Ireland and a number of others concurring with them. After the decision was taken to recommend an increase to only 27% in the U.S. contribution for 1953, this principle had much less significance at this time and, as it was evident it would be thrown out in any event, I withdrew the proposal and asked that the Secretariat be directed to make a study of the question and report to the Council in the Fall session so that Council Representatives would be sufficiently informed to reach a considered decision. In particular, I asked that information be secured as to the basis on which this principle had been adopted by UN, WHO and UNESCO and the experience of the latter two organizations in its application. However, once again the U.K. (Tymms) was very vigorous in opposition and on the vote only 7 supported the proposal for a Secretarial study, with 11 against.

It would be in order to bring forward this proposal again a year from now but if we do so, it will be essential that I have all the information that can be secured, including the reasons for its adoption by the other Organizations, the experience of WHO and UNESCO in its application and also a clear indication of the consequences of its application to the ICAO scale. Merely to show what the effect would be on the States whose per capita contributions are higher than the per capita contribution of the United States has just the opposite of the desired result. On the basis of present experience, I feel that it will be necessary to make an extremely strong case if we are to have any hope of reversing the present attitude of Council.

In due course the Minutes of the meetings at which these matters were discussed will be available and I will send you copies.

Yours very truly,

C.S. BOOTH

SECTION B

EMPLACEMENT DU SIÈGE
LOCATION OF HEADQUARTERS

506. DEA/72-ADU-55-40

Note du sous-secrétaire d'État suppléant aux Affaires extérieures pour le secrétaire d'État aux Affaires extérieures

Memorandum from Deputy Under-Secretary of State for External Affairs to Secretary of State for External Affairs

CONFIDENTIAL Ottawa, April 22, 1952

Mr. Carl Ljungberg, who has recently taken up his post as Secretary-General of ICAO, will call on you on April 23rd. He has indicated that he will want to discuss with you a request from the Council of ICAO that the Canadian Government reduce the rent paid by ICAO for its headquarters offices in Montreal. A copy of a letter dated April 9th, 1952,† transmitting this request, is attached.

2. The space occupied by ICAO in the International Aviation Building in Montreal is rented by the Department of Public Works from Canadian National Railways who own the building, and is re-let by Public Works to ICAO. Public Works pay Canadian National Railways a rent amounting in all to about $3.44 per square foot of space, and re-let to ICAO at a rate of $2.66 per square foot. The Canadian Government is therefore at present subsidizing ICAO's rent at a rate of 78 cents per square foot. This comes to approximately $67,800.00 per annum. The rent paid by ICAO amounts to $231,473.00 per annum, which constitutes a large item in the Organization's annual budgets of around $3 million. The grounds for ICAO's request for further aid is that other specialized agencies of the United Nations have arrangements with their host governments which keep their rental rates for comparable accommodation far below the rate paid by ICAO.

3. A survey conducted this year by the ICAO Secretariat shows that other specialized agencies are paying rents at the following rates for accommodation comparable to that occupied by ICAO:

FAO in Rome — 32 cents per square foot;
ITU in Geneva — 52 cents per square foot;
UNESCO in Paris — 60 cents per square foot;

WHO in Geneva — 77 cents per square foot.

Certain specialized agencies own their headquarters buildings. The annual cost to some of them is as follows:

WHO in Geneva — $2.35 per square foot (including charges for the use of meeting rooms in the Palais des Nations);
ILO in Geneva — 58 cents per square foot;
UNESCO in Paris — (Place Fontenoy) 92 cents per square foot.

For further comparison, the new United Nations Manhattan Building is costing the U.N. $4.25 per square foot per annum. This figure and the figures for the WHO and ILO buildings and the UNESCO Place Fontenoy Building include amortization charges.

4. The ICAO Council's request for a reduction in rent is directly related to a desire on the part of a number of the Council members that the ICAO headquarters should be transferred from Montreal. Some Latin American member States led by Mexico have been aiming at this since the headquarters was established in Montreal in 1946. Since 1948 they have been joined by a number of the European members who find Montreal an expensive place in which to maintain their offices. I attach a memorandum of April 1st, 1952, prepared by Mr. Booth, our Representative to ICAO, which summarizes briefly previous developments on this question and which lists the present grounds for complaint against Montreal.[†] Mr. Booth has heard that the Governments of Mexico, Portugal and Switzerland are prepared to make offers of accommodation for ICAO. He believes that during the forthcoming ICAO Assembly, which will be limited to administrative and financial matters, a number of complaints will be registered concerning the high cost of operation in Montreal; that at the next main Assembly, which is due for 1953, these complaints will be followed up by a concerted attempt to transfer the headquarters.

5. There have also been indications under Dr. Roper's[3] regime of dissatisfaction over the privileges enjoyed by the Organization and its personnel since the signature of the Headquarters Agreement; and this dissatisfaction might contribute to the support of a movement to transfer the headquarters.

6. You will recall that the Government, at an early stage of the negotiations, volunteered its good offices to assist ICAO in negotiating an agreement with the Province of Quebec on provincial and municipal privileges, and that the Prime Minister did intervene personally with the Quebec Government on behalf of ICAO. No agreement regarding privileges has however been reached between ICAO and the Province of Quebec, and the Organization last December presented the Quebec Government with a "claim" for some $24,000 representing the refund of provincial and municipal taxes paid by the Organization since its establishment in Montreal. In notifying us of this demand, the Secretary General suggested that if the province declined to meet the claim, it should be paid by the federal government. Apparently it is not

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[3] Albert Roper, secrétaire général de l'OACI, 1949-1951.
Dr. Albert Roper, Secretary-General of ICAO, 1949-1951.

based on any undertaking given by the province but merely on the assumption by ICAO that it should enjoy a general exemption from all taxes, federal, provincial and municipal. Some further intercession with Quebec on our part may prove desirable, although the difficulty of such an approach has been increased by the somewhat arbitrary claim in question.

7. ICAO has also renewed the proposals which we declined in 1948 for postal franking privileges and a partial sharing of revenue from the sale of a special issue of stamps. The Deputy Postmaster General is vigorously opposed but has consented to defer a final refusal.

8. In addition, there have been minor difficulties over the question of customs privileges for subordinate personnel. It came to the attention of the Department of National Revenue last year that a considerable number of ICAO minor officials and employees had imported automobiles under New York registration and tourist permits, and were operating permanently on this basis. On our recommendation, National Revenue extended an amnesty to all of these car owners and granted free entry on a "first arrival" basis. Taking this as a precedent, ICAO then proposed that all of its personnel should be granted the free entry of one automobile, with subsequent replacement, although there is no provision for this in the Headquarters Agreement. The initial reaction of the Department of National Revenue is that it has no statutory authority for any customs privileges not covered by the Headquarters Agreement.

9. The Headquarters Agreement could possibly be made more generous with respect to privileges for *officials* of the Organization. The extension of extraordinary privileges to *employees* would involve problems vis-à-vis diplomatic missions and consular offices.

10. Currently, the Protocol Division is endeavouring to avoid or at least defer flat refusals of requests for privileges and any consequent pretext for further dissatisfaction over the location of the headquarters at Montreal.

E. R[EID]

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507. DEA/72-ADU-55-40

Note du sous-secrétaire d'État suppléant aux Affaires extérieures pour la Direction économique

Memorandum from Deputy Under-Secretary of State for External Affairs to Economic Division

April 25, 1952

I.C.A.O.

The Minister told me this morning that he was impressed by Mr. Ljungberg, the new Secretary-General of I.C.A.O., who called on him yesterday. The Minister thinks it desirable that efforts be made to make it possible for I.C.A.O. to remain in Montreal. He thinks that Cabinet should over-ride Mr. Turnbull's objections to granting I.C.A.O. certain money-making postal privileges. He is also prepared to raise in Cabinet the question of increasing the subsidy to the I.C.A.O. rent. Finally, he thinks that the Federal Government should probably act on behalf of I.C.A.O. in its dealings with the Provincial

Government of Quebec on questions of immunities and privileges, since I.C.A.O. has not even been able to get an answer to the letter it wrote two years ago to the Provincial Government on this subject.

2. On the latter point I said that perhaps, as a first step, Mr. Lesage might be asked to speak to Mr. Rivard[4] when next Mr. Lesage visits Quebec City. The Minister thought this might be a good idea and that Mr. Lesage might make it clear through Mr. Rivard to the Quebec Government that the failure of the Province to meet the requests of I.C.A.O. would be one of the considerations which might lead I.C.A.O. to decide to leave Montreal.

3. Would you be good enough to prepare a memorandum for the Minister on the three points raised above so that he may raise the matter in Cabinet.

E. R[EID]

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508. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa,] May 21, 1952

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INTERNATIONAL CIVIL AVIATION ORGANIZATION; CONCESSIONS IN RESPECT OF HEADQUARTERS IN MONTREAL

18. *The Secretary of State for External Affairs* said there was dissatisfaction in the International Civil Aviation Organization on the location of the Council Headquarters at Montreal, and certain members had expressed their desire that they be moved elsewhere. The I.C.A.O. Council had requested the Canadian government to reduce the rent now paid by the organization for the space occupied by its headquarters. In addition to the rental problem, there were several other objections advanced by the Council to location in Montreal.

Both the U.K. and U.S. governments were opposed to a transfer and had expressed the hope that the Canadian government would take steps to reduce the cost of maintaining the organization in Montreal. In the circumstances and in view of the desirability from the Canadian point of view of maintaining I.C.A.O. headquarters on Canadian soil, it was recommended that, in addition to the average annual government subsidy of $68,000 now granted on rental paid by the Organization, a further reduction of not more than $131,000 per annum be approved. The total average reduction of $199,000 would thus reduce the rental to $1.16 per square foot. It was further recommended that an effort be made to reconcile some of the differences which existed between I.C.A.O. and the government of Quebec and that the Post Office Department be requested to review their objections to the postal concessions requested by the Organization.

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[4] Antoine Rivard, solliciteur général du Québec.
Antoine Rivard, Solicitor-General of Quebec.

An explanatory note had been circulated.

(Minister's memorandum, May 14, 1952 — Cab. Doc. 157-52)†

19. *The Cabinet*, after discussion, agreed that:

(a) the Secretary of State for External Affairs offer the International Civil Aviation Organization a further reduction of $131,000 in the annual rental now paid for the space occupied by the Organization in the International Aviation Building in Montreal;

(b) the Secretary of State for External Affairs, in consultation with the Prime Minister, explore the existing situation between I.C.A.O. and the government of Quebec and exercise his good offices with a view to improving that situation; and,

(c) the Secretary-General of I.C.A.O. be informed that the government reserved its decision on the Council's request relating to postal concessions pending a review of the situation which existed in respect of similar international bodies in other countries and, in particular, the present position of the United Nations Headquarters in New York.

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509. DEA/72-ADU-55-40

Note pour la Direction économique

Memorandum for Economic Division

[Ottawa?] May 28, 1952

MEMORANDUM FOR MR. PLUMPTRE

LOCATION OF THE HEADQUARTERS OF ICAO

I attach a brief account[5] of what happened at the opening plenary of the ICAO Assembly[6] yesterday. Should you wish to send this to the Acting Under-Secretary, there is also attached a covering memorandum for your signature.

2. The events of the day, while disappointing, make clear that we did not overestimate the seriousness of the move to transfer the Headquarters. A full-scale attack on Montreal had evidently been planned, and efforts will still be made to press it.

3. I think that this may require us to soften our line on two points covered in our instructions to the delegation. The first is the instruction that the delegation should oppose vigorously the holding of the 1953 Assembly in Geneva. If we were to take a really vigorous line on that subject, we might alienate some European votes which may be marginal on the Headquarters question.

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[5] Le document suivant./The following document.

[6] La sixième session de l'Assemblée eut lieu à Montréal du 27 mai au 12 juin 1952.
The Sixth Session of the Assembly, held in Montreal, May 27-June 12, 1952.

4. The second is the question of the United States contribution. The United States have agreed that their contribution should be raised from 25 to 27% in 1953. We have instructed the delegation to press for an increase to 33⅓%. The United States will be one of our strongest and most influential supporters on the Headquarters question, and on this account perhaps we should not raise doubts in their minds by taking after them on contributions while the Headquarters question is undecided. There is always another year in which to campaign for an increase in their contribution, and after all, we have already obtained a 2% increase for 1953.

5. I do not think we need change our voting on those questions. My suggestion is that we should not take a lead on either. As far as the United States contribution is concerned, it now seems doubtful whether any other delegation will raise the point, and so we might confine ourselves for this year to a statement of views which will not call for discussion.

6. Our instructions on both these points were formulated in the Department of Finance. If you agree with the above suggestions, perhaps you would have a word with John Deutsch on the telephone. Baldwin feels as I do, and said that he also would speak to him. If Finance agree, we could pass the word to Booth to go easy.

J.A. IRWIN

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510. DEA/72-ADU-55-40

Note de la Direction économique

Memorandum by Economic Division

[Ottawa?] May 28, 1952

SIXTH ASSEMBLY OF THE INTERNATIONAL CIVIL AVIATION ORGANIZATION

The question of moving the ICAO Headquarters came immediately into the open at the first plenary session of the Assembly, and there was little else mentioned in the five speeches which made up the programme for the afternoon.

2. Mr. Chevrier raised the question directly in his speech of welcome, and after announcing the decision to increase the subsidy on rent as an indication of the Government's good intentions, asked for more time to consider what might be done in other ways, for instance, in the way of postal privileges. Referring generally to issues between ICAO and the municipal and provincial governments, he expressed the Federal Government's hope that mutually satisfactory settlements would soon be reached. (He had said pointedly, earlier, that the City of Montreal and the Province of Quebec were the main beneficiaries from the presence of ICAO in Canada.)

3. This last statement evidently put Mayor Houde[7] off balance, and before he recovered he had (a) reassigned the responsibility for practically everything connected with ICAO to the Federal Government, and (b) suggested vaguely

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[7] Camilien Houde, maire de Montréal./Camilien Houde, Mayor of Montreal.

the establishment of a fund (mainly from Federal resources) to make life pleasanter for visiting delegates in Montreal. However, there were indications throughout his speech that he was anxious to keep ICAO in Montreal, and also to do something about the water tax which I believe is the one big issue between the Organization and the City.

4. The Portuguese Representative's speech was straight propaganda for a move of the Headquarters to Lisbon. In brief, his argument was:

(a) that high costs in Montreal due to lack of tax exemptions, high rents, high cost of living, and cost-of-living bonuses for employees had raised the ICAO budget to a point where many states could not afford to pay their contributions or to send delegations to Montreal;

(b) that to keep down its budget, ICAO would be forced to either reduce its work programme or to move to a place where the cost of living and salaries were low, where full facilities and low rents would be made available, and where full diplomatic privileges would be granted. Faced with these alternatives, ICAO, in his view, would have to move;

(c) that he was authorized by his Government to offer Lisbon as a new site and to promise that all the requisites would be made available. He called on other delegations interested in having ICAO in their capitals to make similar bids.

5. The Mexican delegate had more time to adjust himself to the new situation created by Mr. Chevrier's opening speech. While he appreciated the Canadian Government's action on rent, the real problem was the high and rising cost of living in Montreal about which the Canadian Government could do nothing. The Organization had to face the fact that it would have to either leave Montreal or cut out important parts of its programme. He hoped that the Assembly would direct the Council to study whether a move was desirable and to make recommendations to the 1953 Assembly.

6. The Italian delegate avoided the subject and spoke briefly. He said that in spite of financial difficulties his Government remained interested in ICAO.

7. Mr. Chevrier's speech was excellent and its timing most fortunate. It should take some of the force out of the attack on Montreal. But it became clear yesterday that the anti-Montrealers had planned to carry the issue very far at this Assembly, and that they will not drop it because of our concession on rent. They will have to take another basis — the high cost of living — for their attack, and while, in our view, they may not find firm ground, it remains to be seen what the sentiments of the Assembly will be.[8]

J.A. IRWIN

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[8] Notes marginales :/Marginal notes:

seen by L.B. Pearson.

The Minister[:] an interesting report on the opening day of ICAO. E. R[eid] May 29/52.

511. DEA/ADU-45-40

Le directeur de la Direction des relations internationales
du ministère des Finances
au président de la Commission des transports aériens

Director, International Relations Branch, Department of Finance,
to Chairman, Air Transport Board

Ottawa, May 31, 1952

Dear Mr. Baldwin:

I have your letter of May 28, drawing attention to the possibility that efforts of the Canadian Delegation at the ICAO Assembly to obtain an increase in the United States contribution may have the effect of reducing United States support for the retention of the ICAO headquarters in Montreal. You suggest that it might be desirable to soften the text of the draft statement prepared in this Department for the head of the Canadian Delegation on the question of the United States assessment.

Although it is evident that there are a variety of motives behind the proposal for removing the ICAO headquarters to another location, it was our hope that a concession by Canada on the question of rental would enable the problem of headquarters location to be settled satisfactorily, and in advance of the discussion of 1953 assessments. It was also our hope that the United States would not be tempted to influence our efforts to adjust the scale of contributions so as to provide for a fair United States share of the expenses of the Organization by threatening withdrawal of support on the question of headquarters location.

I appreciate, however, the importance attached to the maintenance by ICAO of its headquarters in Montreal, and agree that it would be desirable to have the full support of the United States on this matter. In the circumstances, I agree with your suggestion that the head of the Canadian Delegation should have discretionary authority with regard to the efforts he should make to obtain an increase in the United States contribution. I feel, however, that he should maintain support for the Council's recommendation for an increase in the ceiling on contributions from 25 to 33⅓ per cent, and for an immediate increase in the United States contribution to 27 per cent. He should also, I feel, make it clear that Canada regards the proposed increase to 27 per cent as only a step towards raising the United States contribution to the new ceiling, and include in his statement an expression of Canadian views on the importance of the ultimate adoption by ICAO of the per capita principle. We are prepared, of course, to leave it to the head of the Delegation to determine how best to make known these views having in mind our interest in retaining U.S. support for the continued location of ICAO in Montreal.

Yours very truly,

J.J. DEUTSCH

512. DEA/72-ADU-55-40

Note du sous-secrétaire d'État aux Affaires extérieures
pour le secrétaire d'État aux Affaires extérieures

Memorandum from Under-Secretary of State for External Affairs
to Secretary of State for External Affairs

CONFIDENTIAL Ottawa, June 12, 1952

POSTAL ACTIVITIES OF UNITED NATIONS AND SPECIALIZED AGENCIES

At the Universal Postal Congress presently in session at Brussels, and at ECOSOC meeting in New York, draft resolutions have been introduced to limit further postal activities in the United Nations and Specialized Agencies to those recommended by the General Assembly after consultation with the UPU.

2. Our Delegation to the Postal Congress has stated in their despatch No. 3 of May 29† that they will support such a resolution in the absence of further instructions. Our Delegation to ECOSOC has said in their letter No. 11 of June 6,† that in the Co-ordination Committee they have already expressed agreement with the principles of the resolution. If the Canadian Delegations to UPU and ECOSOC support these proposals, such action would be inconsistent with any further endeavours to obtain Cabinet approval for special postal arrangements for ICAO.

3. Mr. Reid wrote a memorandum for the Economic Division on April 25 in which he mentioned your view that Cabinet should override the objections of the Deputy Postmaster General to granting ICAO certain money-making postal privileges. You will recall your recommendation in a memorandum to Cabinet dated May 14, 1952 "that the postal authorities be asked to review their objections to the postal concessions requested by ICAO. . . ." It is understood that Cabinet reserved its decision with respect to this recommendation.

4. In your letter of May 30 to the Postmaster General you urged him to give favourable consideration to the proposed postal arrangements for ICAO. However, on June 9, the Postmaster General replied that "if it is imperative that something be done to further improve the financial condition of ICAO, that we should pursue some other course, rather than to depreciate a practice which has hitherto been unquestionably beyond criticism or censure." The Postmaster General expressed full agreement with the principles embodied in the draft resolution now before the UPU Congress and implied approval of the similar draft resolution which has been introduced at ECOSOC.

5. In order to prevent action by Canadian Delegations at UPU and ECOSOC which might be inconsistent with domestic action with respect to ICAO, it appears that one of the following courses might be pursued:

(a) if it is your intention to raise this matter again in Cabinet, our Delegations to UPU and ECOSOC might be instructed to abstain when the relevant resolutions are put to the vote. Such instructions would not, of course, be to the liking of the Head of our Delegation to UPU, who is the Deputy Postmaster General; and our Delegation to ECOSOC might be somewhat embarrassed because they have already, in the Coordination Committee, agreed in principle with the resolution which is before them. Instructions to abstain would have to be sent on the sole authority of the Department of External Affairs as it is unlikely that the Post Office Department would agree in view of the opinions expressed by the Postmaster General in his letter to you of June 9; or

(b) as the principles of coordination embodied in the resolutions before UPU and ECOSOC are supported by our Delegation to UPU, as well as by the Delegations of the United States, the United Kingdom, and France; and as our Delegation to ECOSOC has already expressed publicly its approval of the same principles, it might be decided that the recommendation to Cabinet for special postal arrangements for ICAO should be dropped. If this is done, it would not be necessary for us to send further instructions to the UPU Delegation as they have said that they will support the relevant resolution unless they are instructed to the contrary; and our Delegation to ECOSOC is also giving its approval to the similar resolution before that body.

6. If course (b) is followed, we may have to face criticism from ICAO and further pressure for the removal of the headquarters of that Organization from Canada. However, there might also be criticism if it should become apparent that Canada has withdrawn support for coordination measures in the international sphere because of domestic interests. If the resolutions before UPU and ECOSOC are approved, and the principles embodied therein are subsequently adopted by the General Assembly, the matter of special postal arrangements for ICAO will then be out of our hands and this will be an answer to any subsequent criticism which may arise in ICAO circles.

7. May we have your advice please as to whether course (a) or course (b) should be followed? We do not know when the resolution is to be put to the vote at the Universal Postal Congress and this could happen at any moment.[9]

L.D. W[ILGRESS][10]

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[9] Note marginale :/Marginal note:
Mr. Pearson commented "I prefer course (b)." J. I[rwin]

[10] Un autre exemplaire du document montre qu'Escott Reid a signé au nom de L.D. Wilgress.
Another copy shows that Escott Reid signed for L.D. Wilgress.

513. DEA/72-ADU-55-40

Note du sous-secrétaire d'État aux Affaires extérieures
pour le secrétaire d'État aux Affaires extérieures

Memorandum from Under-Secretary of State for External Affairs
to Secretary of State for External Affairs

Ottawa, June 16, 1952

LOCATION OF ICAO HEADQUARTERS

I attach a report of June 12 by Irwin on the discussion at ICAO of the question of the location of the ICAO Headquarters.

E. R[EID]
for L.D. W[ilgress]

[PIÈCE JOINTE/ENCLOSURE]

Rapport

Report

[Montreal?] June 12, 1952

LOCATION OF THE ICAO HEADQUARTERS

A Portuguese motion leading toward a transfer of the Headquarters from Montreal was debated in the Executive Committee of the ICAO Assembly on June 9th and was defeated by the very close vote of fourteen to thirteen. The motion would have directed the Council to study the relative advantages of alternative sites and report to the 1953 Assembly. An ICAO Working Paper with the text of the Portuguese resolution is attached.†

2. The same motion, somewhat modified, was re-introduced in the final plenary session of the Assembly on June 12th. This time, it was defeated by 17 votes to 13, with 5 or 6 abstentions. The Head of our Delegation to the Assembly has told us that the additional strength on the side of Montreal in this vote was due mainly to lobbying by the United States Delegation.

3. The Headquarters issue overshadowed all the proceedings of the Assembly and there was a sharpness in the tone of the debates hardly in keeping with the rather pedestrian questions of finance and administration which filled the order papers. We had a preview of the debates on this issue when, earlier in the proceedings, the Executive Committee discussed the location of next year's Assembly. The group who wish to move the Headquarters were determined to hold the 1953 Assembly outside of Montreal. Opposition came from the United States, Ireland and the Commonwealth Delegations, with the exception of India. The Australian Delegation took advantage of this debate to attack the motives of the anti-Montreal group. He said that everyone was aware that a critical issue — the location of the Headquarters — was going to come up at the 1953 Assembly and, in the view of his Government, it was "hardly frank, hardly straightforward" and certainly not in the interest of the good name of ICAO that the debate on this question be held outside the host country. This

brought a furious though equivocating reply from the Mexican Delegate, who is one of the founder members of the anti-Montreal group. The vote was 20 to 9 in favour of holding the 1953 Assembly outside of Montreal.

4. Of our friends on the Headquarters question, the United States has certainly been the most active and probably the most influential. The United States Government made tentative approaches through its diplomatic missions to some Member States, and its delegation at Montreal lobbied energetically. The United Kingdom Delegation were also lobbying. We had firm support from the Australian, New Zealand, South African and Irish Delegations.

5. The Delegations of Egypt, Iraq and Israel came down on our side. For these votes we can probably thank the United States and United Kingdom Delegations.

6. Leaders of the anti-Montreal faction were the Portuguese and Mexican Delegates, strongly supported by the French, Dutch, Belgians and Indians. All of the Latin American Delegations and all of the other Western European Delegations, except Norway, Italy and Sweden, supported them. Sweden abstained.

7. We can hardly hope that the close vote in this year's Assembly will dispose of the issue for good. It will probably be revived in one form or another next year unless something occurs to discourage the anti-Montreal group. If we remain anxious to keep the Headquarters in Montreal it is clear from our experience of this year that we should continue doing what we can to eliminate the grounds for anti-Montreal propaganda. Settlement in favour of ICAO of the questions of postal privileges and Quebec provincial taxes would help considerably and would no doubt be welcomed by the other Governments who are working to keep the Headquarters in Montreal. Of these, the postal privileges are obviously of lesser value to ICAO but they are being emphasized by some delegates out of proportion to their importance. The Delegate of Portugal offered what he called "full" postal privileges for the Organization at Lisbon, and the Mexican Delegate offered franking privileges if the Organization should go to Mexico City.

8. Also, we might consider making direct approaches some time during the next nine months to some of the Governments whose delegates voted against us.[11] A good many of these delegates are Council members living permanently in Montreal, and we think that some of them at least are operating mainly on grounds of personal preference. They find life expensive in Montreal, and anyway, prefer to live in Western Europe. We might gain the votes of some of them by making clear to their Governments our interest in retaining the Headquarters. A case could be made on the grounds that, with the exception of ICAO, all of the Specialized Agencies which can be moved are now in Western Europe and that in fairness ICAO should be allowed to remain in North America where such a large part of the world's civil aviation activities are

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[11] Note marginale :/Marginal note:

I think that we should particularly bring the French attitude to the attention of Paris — and, though it is not so irritating, also that of the Indian. L.B. P[earson] carried on. If we decide to do something along this line, we should probably concert beforehand with the United States and United Kingdom Governments on timing, and the arguments to be used. They will most probably be willing to make similar representations in support of Montreal.

9. One cheerful note to be added is that the City of Montreal is apparently about to grant ICAO a remission of water taxes. According to an ICAO official, the cut will reduce the Organization's water bill from $16,000 to about $4,000 annually. If the Quebec Provincial Government could see its way clear to doing something similar about sales taxes and automobile licenses, our cause would be aided considerably.

J.A. IRWIN

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514. DEA/72-ADU-45-40

Extrait du rapport de la délégation à la sixième Assemblée de l'OACI, Montréal, 27 mai-12 juin 1952

Extract from Report of Delegation to Sixth Assembly of ICAO, Montreal, May 27-June 12, 1952

. . .

[n.d.]

4. ADMINISTRATIVE COMMISSION

The Administrative Commission met eighteen times between the 28th of May and the 12th of June. The main subjects discussed were the budget, the site of the Seventh Session of the Assembly, the apportionment of expenses and the method of financing the Organization.

. . .

Apportionment of Expenses

The Commission considered the principles and methods to be employed in constructing the scale of contributions for 1953. The discussion was based on the report of the Council on this matter.[12] The most important point discussed was the method of distributing the difference between the maximum contribution obtained by application of the approved principles and the fixed maximum contribution (under the present ceiling of 27% for the U.S.) among the remaining Contracting States. In previous years, this amount was allocated by a power curve which worked to the advantage of the larger contributors. A group of the smaller States, lead by Portugal and Egypt, proposed that the difference should be distributed by the *pro rata* method. After considerable debate, the Commission approved the Council's compromise proposal that the difference be distributed according to a formula which would be approximately the mean between the power curve and the *pro rata* distribution. The Commission also endorsed the other recommendations regarding principles and methods of assessment made by the Council.

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[12] Le document original porte la mention suivante :
The following is in the original:
A6-WP/3-AD/1.

Following this action, the Commission referred the scale of assessments prepared by the Secretary General to a Working Group made up of members nominated by Brazil, Denmark, France, Republic of the Philippines and the United States. The Working Group made a few unimportant changes in the scale recommended by the Secretary General. The draft resolution submitted by the Working Group was approved by the Commission, with the exception of the assessment for Bolivia which was reduced from 3 to 2 units.

The Commission later discussed the principles and methods to be used in preparing the scale of contributions for 1954. In this case it accepted the Egyptian/Portuguese proposal and decided that the difference between the maximum contribution obtained by application of the approved principles and the fixed maximum contribution should be distributed by the *pro rata* method. In addition, the Commission rejected an American proposal to delete any mention of a 33⅓% ceiling on contributions.[13] In view of the reluctance of other delegations to oppose the United States, the Canadian Delegate found it necessary to speak first in opposition to the U.S. proposal. It can be assumed that next year the U.S. contribution will be further increased by approximately 10%.

The Commission also authorized the Council to study:

(a) the basis of evaluation of Interest and Importance in Civil Aviation, taking into account the extent of the aircraft industry, the extent of non-scheduled operations, the distribution between international and domestic operations, the investments in aviation facilities and the traffic utilizing such facilities and any other factors which it considers relevant, with a view to determining a more satisfactory basis than the previously used and report thereon to the next session of the Assembly;

(b) the per capita principle on the basis of all available information, including the reasons for its adoption, the methods of application and the results achieved by the UN, WHO and UNESCO; and to report thereon to the Seventh Session of the Assembly.

A proposal for a study by the Council of the *per capita* principle was put forward by the Canadian delegation and adopted. Members of the Canadian delegation had to do considerable spade work among delegations directly affected in order to whip up sufficient interest to secure the necessary support. The U.S. delegation were extremely cool to the proposal *on the ground that it was premature* and abstained on the vote.

In the final Plenary Meeting, the United Kingdom Delegation proposed that the apportionment of expenses should also take account of the benefits conferred on civil aviation by a Member State.[14] This proposal was adopted by the Plenary.

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[13] Le document original porte la mention suivante :
The following is in the original:
The principles and methods to be used in preparing the 1954 scale of contributions are contained in A6-WP/47 and A6-WP/51.

As a result of the strong attempts that were being made to lay the ground work for moving the Headquarters from Montreal and the need for American support to defeat these attempts, the Canadian Delegation came to the conclusion that it would be unwise to adhere fully to the instructions on contributions. The instructions indicated that the Delegation should press for an increase in the American contribution above the 27% recommended by the Council and the adoption of the per capita principle. A fairly thorough canvass of delegations disclosed that a proposal to increase the American contribution above 27% would receive very limited support. The same canvass indicated that very few delegations were prepared to accept the per capita principle. In addition to these factors, the American Delegation made it clear that strong attempts on the part of Canada to increase their contribution might "destroy the solidarity on the Headquarters issue." After weighing these factors, it appeared to the Canadian Delegation that the most they could hope to achieve at this Assembly was a recommendation that Council study the *per capita* principle.

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515. DEA/72-ADU-55-40

Note du sous-secrétaire d'État suppléant aux Affaires extérieures pour le secrétaire d'État aux Affaires extérieures

Memorandum from Deputy Under-Secretary of State for External Affairs to Secretary of State for External Affairs

CONFIDENTIAL Ottawa, July 31, 1952

LOCATION OF THE ICAO HEADQUARTERS

On June 16 you approved the proposal that, after consultation with the United Kingdom and the United States, direct approaches be made to some of those Governments whose delegates voted against us on the Portuguese motion which, if passed, would possibly have led toward transfer of the ICAO Headquarters from Montreal.

2. [H.O.] Moran and Baldwin, Chairman of the Air Transport Board, met with United States officials in Washington on July 21 to consider the best method of approaching some of those countries in order to persuade them not to support any further move which might lead to the removal of ICAO from Montreal.

3. It is likely that this question will be raised again in the course of the ICAO Council meeting set for September 9, and in any event, it is almost bound to be reopened at the next Assembly.

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[14] Le document original porte la mention suivante :
The following is in the original:
Text of this Amendment contained in A6-WP/51.

4. These officials were of the opinion that, due to the imminence of the Council meeting and to the fact that eleven of the twenty-one countries represented on the Council voted in favour of removal, action should be taken without delay, and that representations should be made to those countries on the Council that previously voted for removal, drawing attention:

(a) to the importance of maintaining a balance in the location of the Headquarters of the Specialized Agencies of the United Nations (FAO, UNESCO, WHO, ILO all have their Headquarters in Europe) and,

(b) to the argument that it would not be fitting for the Council to reconsider the decision of the whole Assembly to reject the resolution to move the ICAO Headquarters.

It was agreed that approaches should not be made to countries which had not supported removal nor to Latin American countries.

5. Moran suggested that approaches be made by Canadian representatives in countries that are members of NATO as well as of ICAO with the exception of Portugal and the addition of Sweden. These countries would be Belgium, Denmark, France, The Netherlands, Norway and Sweden. He also thought that it might be useful for our High Commissioner in New Delhi to raise the question with the Indian authorities. The United States officials believed that they could approach Belgium, France, The Netherlands and Portugal and possibly also Venezuela. The meeting agreed that the United Kingdom might be asked to make representations in the three Scandinavian countries, which will be represented by Denmark at the Council meeting.

6. Should these proposals be approved, it is felt that since both Canadian and the United States Missions in Belgium, France and The Netherlands would be approaching the Government to which they are accredited, the Canadian Head of Mission should first raise the question with the Governmental authorities concerned and that the United States Head of Mission would soon after make similar representations. Moran suggested that any representations made by Canada abroad would also be accompanied by parallel representations through our United Nations delegate to the United Nations delegate of the country approached.

7. Thorp[15] of the State Department said that, although the United States would not be making representations in Latin American capitals with the possible exception of Caracas, consideration would be given to the desirability of having the United States delegate to the United Nations approach his Latin American colleagues, stressing the procedural point that the possibility of moving the Headquarters had been fully considered by the ICAO Assembly and that, therefore, the matter should not be reopened again by the Council.

8. Even if the Council does not consider the Assembly's decision, there seems little doubt that the Headquarters question will be raised again at the 1953 Assembly in view of the close vote at the last meeting and the apparent

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[15] Willard L. Thorp, secrétaire d'État adjoint (Affaires économiques) des Etats-Unis.
Willard L. Thorp, Assistant Secretary of State (Economic Affairs) of United States.

dissatisfaction with Montreal on the part of members of the Council. Further representations may well be necessary before the 1953 meeting.

9. If you agree, we would propose that, in concert with their United States colleagues, our Heads of Mission in Belgium, France and The Netherlands make representations to the Government to which they are accredited along the lines of paragraph 4, and that our Head of Mission in India make similar representations unilaterally. We would also propose that the United Kingdom be kept fully informed of the steps we intend taking and asked to make similar representations in Denmark, Norway and Sweden in concert with our Heads of Mission in those countries.[16]

E. R[EID]

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516. DEA/72-ADU-55-40

Note du sous-secrétaire d'État aux Affaires extérieures au secrétaire d'État aux Affaires extérieures

Memorandum from Under-Secretary of State for External Affairs to Secretary of State for External Affairs

CONFIDENTIAL Ottawa, August 14, 1952

LOCATION OF ICAO HEADQUARTERS

In a message from New York, Moran has suggested that Mexico be included among those countries to which we are making representations in connection with the campaign to move ICAO Headquarters from Montreal.

When he called on the Mexican Foreign Minister, Moran was told that Mexico had supported the Portuguese motion in the ICAO Assembly which could have led to a move of the Headquarters because the Mexican authorities had been informed by their Council member that the Canadian Government was not interested in retaining ICAO in Canada.

When assured that we wished to retain the organization in Canada, Señor Tello said his Government would oppose a move if the question were raised again in the Assembly.

All the Latin American delegations strongly supported the Portuguese motion, and the Mexican delegation was the leader of the group. It is considered that the solidarity of the Latin American countries on this question would be broken if Mexico declared itself in favour of ICAO remaining in Montreal.

We have consulted the United States authorities to see if they would be willing to instruct their Ambassador in Mexico City to make representations in concert with our Head of Mission there similar to those proposed for the other countries.

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[16] Note marginale :/Marginal note:
OK. L.B. P[earson]

We have now been informed that the United States authorities believe that such representations by their Ambassador in concert with ours would do our cause more harm than good. Apparently relations in air matters between Mexico and the United States have been severely strained lately because of difficulties in the current negotiations for a bilateral air agreement between the two countries.

Consequently since Moran seems to have received a cordial reception from the Mexican Foreign Minister and since there is no indication of strain in our relations with the Mexican air authorities it seems to me that representations might be made unilaterally by Mr. Hébert.[17] Do you agree?[18]

L.D. W[ILGRESS]

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517. DEA/9655-E-2-40

Le chef du protocole au représentant auprès de l'OACI

Chief of Protocol to Representative to ICAO

PERSONAL AND CONFIDENTIAL Ottawa, November 27, 1952

Dear Brigadier Booth:

Following our telephone conversation of October 15 and subsequent discussion in my office, I have, as you suggested, examined your personal letter of October 17, 1950, to Mr. Blouin, with the attached Draft Agreement for negotiation between the Province of Quebec and ICAO. I have also discussed this draft with the interested divisions.

We all share your view that a large part of this draft was unnecessary and might better have been omitted. In fact, I am inclined to think that presentation of the draft was itself a tactical error. It is a rather formidable document and goes far beyond the field of provincial jurisdiction. I can well believe that the Quebec authorities were embarrassed and disturbed at the prospect of such sweeping undertakings, and this may in part account for their subsequent unresponsive attitude.

We are in full agreement with you that you should not yourself intercede even informally with the Quebec authorities on behalf of the Organization. However, I do think that it could be of great assistance if you would suggest to the Secretary-General informally that a much less conventional approach to the whole question of this Quebec Agreement might be more fruitful. My own impression is that the best chance of making progress in this matter would lie in canvassing verbally with the Quebec authorities the whole question of the Organization's actual needs and the ability of the province to satisfy them, leaving written communications to a later stage when some sort of entente has been arrived at by discussion. It is even possible that a written agreement could be dispensed with if the province found itself able to grant the desired tax exemptions administratively.

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[17] C.P. Hébert, ambassadeur au Mexique.
C.P. Hébert, Ambassador in Mexico.

[18] Note marginale :/Marginal note:
yes. L.B. P[earson]

We have endeavoured to make it clear at all times that within the provincial jurisdiction the province is its own mistress, and I think that the ICAO representatives in these negotiations should keep it in mind that the form of agreement concluded with the Federal Government will not necessarily be accepted either as a precedent or a pattern by the provincial authorities.

Our Legal Division is hesitant about offering detailed comments on the text of the Draft Agreement as it feels that it would be more profitable for the Organization in its negotiations to concentrate on a brief summary of what is wanted and the possibility for the province of implementation by administrative direction under existing legislation and, if possible, to avoid any discussion of a formal agreement.

I think it should be added that in our view the whole question of inviolability and immunity from legal process has already been covered by the Headquarters Agreement with the Federal Government and lies within the federal jurisdiction. The same is of course true of the admission free of duty and taxes of articles purchased by the Organization or its privileged personnel. While the cooperation of the provincial authorities in protecting the rights conferred by the Headquarters Agreement is necessary, I do not think that matters which have already been determined by the Headquarters Agreement should become the subject of a separate formal agreement with the province. I believe in fact, and I think you agree, that it would be unwise to submit a new draft of any sort to the Quebec authorities at least until there have been further consultations with them and a firm understanding has been reached on the whole subject.

This letter is, of course, quite unofficial and informal. I should be glad to know whether it meets with your views and I should, of course, be glad to discuss the whole matter further with you if you think that would be useful.

Yours sincerely,

H.F. FEAVER

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518. DEA/ADU-55-40

Note du secrétaire d'État aux Affaires extérieures pour le premier ministre

Memorandum from Secretary of State for External Affairs to Prime Minister

Ottawa, December 23, 1952

Our representative on the Council of I.C.A.O., Brigadier Booth, states that no progress whatever has been made in the effort of I.C.A.O. to arrive at an agreement with the Province of Quebec regarding privileges. Discussion of a possible transfer of I.C.A.O. headquarters away from Canada is almost certain to be renewed at the next meeting of the Assembly and the chief remaining sense of grievance seems to be based on what the Organization regards as an attitude of indifference on the part of the Quebec authorities. Brigadier Booth feels, and I agree, that some friendly intervention from Ottawa at the earliest opportunity seems desirable.

You may recall that the Cabinet last June left the question of any such intervention to me in consultation with yourself. I do not know whether you may wish to exercise your own good offices, possibly during the holiday season. In the alternative, it has been suggested that Mr. Lesage might be asked to discuss with Mr. Duplessis the very real risk of our losing the I.C.A.O. headquarters.

If you would care to indicate your wishes in this matter, I should be glad to have any necessary factual material prepared. I attach a copy of Brigadier Booth's letter of December 5† on this subject.[19]

L.B. P[EARSON]

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519. DEA/72-ADU-55-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur en France

Secretary of State for External Affairs
to Ambassador in France

DESPATCH No. E-1438 Ottawa, December 29, 1952

CONFIDENTIAL

LOCATION OF ICAO HEADQUARTERS

Reference: Your despatch No. 1548 of October 4, 1952.†

ICAO Council decided this month on Brighton, England, as the site for the 1953 Assembly. We understand that the debate on the issue was tense though restrained; for some time the Council vote was evenly split between Paris and Brighton. The question was settled only after the United Kingdom and French civil aviation authorities had conferred privately with the result that the French bid for the Assembly was withdrawn.

2. We had considerable sympathy for the French desire to have the Seventh Assembly in Paris and might well have supported it if certain considerations had not intervened. But the French representative and some other representatives on the Council who supported Paris have previously been prominent

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[19] La note porte, au bas du texte, l'annotation dactylographiée suivante :
The following was typed at the bottom of the memorandum:

I telephoned Mr. Emery Beaulieu, Q.C., who is to discuss the matter with Mr. Duplessis & Mr. Gagnon. L.S.L. [Louis St. Laurent]

(L.E. Beaulieu, c.r., de l'étude Beaulieu, Gouin, Bourdon, Beaulieu et Casgrain, était doyen de la faculté de droit de l'Université de Montréal ; Maurice Duplessis était premier ministre de la province de Québec ; Onésime Gagnon était trésorier de la province de Québec.)

(L.E. Beaulieu Q.C., Beaulieu, Gouin, Bourdon, Beaulieu & Casgrain, was Dean of Faculty of Law, University of Montreal; Maurice Duplessis was Premier of Quebec; Onésime Gagnon was Treasurer of Province of Quebec.)

among those who have aimed at transferring the ICAO Headquarters from Montreal. The United Kingdom, the United States and, speaking generally, the representatives who supported London, have been on our side on that question. The United States representative, in particular, felt that the Headquarters question is likely to be raised again, directly or indirectly, at the next Assembly and that some of the representatives supporting Paris were doing so because they hoped that the holding of an Assembly there would provide advantages for further attacks on the Montreal location of the Headquarters. In the circumstances we were forced to conclude — though we did so reluctantly — that we must support the United Kingdom bid.

3. I think it would probably not be wise to advise the French authorities officially of our reasons for supporting Brighton. However, should the question be raised with you again you might be glad to have as background the information given above, and also the following, which is by way of comment on the French note of October 4† and your despatch No. 1548.

4. The existence in the ICAO Council of a group who for reasons which we do not think have much validity wish to move the Headquarters from Montreal, sometimes make our position difficult. It is possible that our vote on the site of the Seventh Assembly would have been different if the Headquarters question had not existed. We have considerable sympathy for France and other Western European countries who wish to strengthen their influence in ICAO and to increase their national representation in the Secretariat and we would welcome the achievement of a broader and more equitable national representation in the Secretariat, always providing that present levels of competence are not thereby sacrificed. But we regret the employment in the Council of "bloc" tactics by some Western European and Latin American members. We would certainly oppose the extension of this tendency to the Secretariat, or, for that matter, any attempts to use elements in the Secretariat either to advance national interests or to counteract the influence of other member nations in ICAO affairs. In our view it should be quite possible, given the generally technical character of ICAO's activities, to maintain a disinterested and impartial attitude within the Secretariat. It seems to us highly important for the prestige of ICAO and the morale of the Secretariat that such an attitude be maintained.

5. Concerning the election of the Secretary-General in 1951, our vote was influenced to some extent by the fact that the previous Secretary-General was a Frenchman. At the same time we were strongly impressed by LJUNGBERG'S qualifications for the post. Since ICAO employs a salaried president of the Council who is the senior official of the Organization and who looks after all "political" responsibilities, the duties of the Secretary-General are very much administrative in character. LJUNGBERG impressed us as being particularly strong in the administrative field. His previous experience as Director-General of civil aviation for the Swedish Government had been administrative rather than political; also, he possessed quite a lot of experience in ICAO affairs.

6. We were glad to have Parodi's[20] assurances on the Headquarters question and hope that they are an indication of what attitude we can expect from the French if the question is revived at the Seventh Assembly. For our part we would be glad to give the most careful consideration to what candidates the French authorities may put up for posts in ICAO, though of course we can make no commitments in advance on that subject.

R.M. MACDONNELL
for Secretary of State
for External Affairs

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520. DEA/9655-E-2-40

Le sous-secrétaire d'État aux Affaires extérieures
au secrétaire d'État aux Affaires extérieures

Under-Secretary of State for External Affairs
to Secretary of State for External Affairs

CONFIDENTIAL Ottawa, January 23, 1953

Following my memorandum of December 23 I understand that the Prime Minister requested Mr. Emery Beaulieu, Q.C., to speak to Mr. Duplessis on the subject of provincial privileges for ICAO. I do not know whether Mr. Beaulieu has yet acted on this request.[21] I have learned, however, that the Secretary General of ICAO intends to re-open his correspondence with Mr. Duplessis in the immediate future, and it seems desirable that any good offices on behalf of the Prime Minister should be exercised at the earliest possible opportunity.

2. I believe you may wish to convey this suggestion to the Prime Minister.

L.D. W[ILGRESS]

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521. DEA/72-ADU-55-40

L'avocat de la Commission des transports aériens
au ministère des Affaires extérieures

Solicitor, Air Transport Board, to Department of External Affairs

Ottawa, March 12, 1953

Dear Mr. Hyndman:

As requested, herewith for your personal information, copy of a memorandum to Mr. McDonald for the Chairman of the Board, summing up action taken last autumn by Canada in concert with the U.S. and the U.K. regarding the locations of the ICAO headquarters.

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[20] Alexandre Parodi, secrétaire général du ministère des Affaires étrangères de France.
Alexandre Parodi, Secretary-General, Ministry of Foreign Affairs of France.

[21] Notes marginales :/Marginal notes:
Yes, Mr. Beaulieu spoke to Mr. Duplessis some time ago and pointed out the implications for Montreal. St. L[aurent]
Protocol Division to see comments of the P[rime] M[inister].
seen by L.B. P[earson].

Yours very truly,
GILBERT W. NADEAU

[PIÈCE JOINTE/ENCLOSURE]

Note de l'avocat de la Commission des transports aériens
Memorandum by Solicitor, Air Transport Board

Ottawa, March 11, 1953

LOCATION OF ICAO HEADQUARTERS

As requested by the Chairman, herewith a statement summing up action taken last autumn by Canada in concert with the U.S. and the U.K. in an attempt to persuade certain countries not to support any further move which might lead to the removal of the ICAO Headquarters from Montreal.

First, a word about what happened at the 1952 Assembly. The anti-Montreal faction, consisting mainly of Latin-American and west European representatives at ICAO, which has been agitating for the past three years for the transfer of the ICAO Headquarters from Montreal, put to a vote a Portuguese proposal calling for a study of alternative sites. This was considered an important step preparatory to a final decision at this year's Assembly. The proposal was defeated, but only by the narrow margin of 14 to 13 votes in the Executive Committee and 17 to 13 votes in the final Plenary. The following are the particulars of the vote (the countries that changed their position in the second vote are underlined):

Executive Committee

For: Argentina, Belgium, Brazil, Cuba, Denmark, Dominican Republic, France, India, Mexico, the Netherlands, Portugal, Spain and Venezuela. (13)

Against: Australia, Canada, Egypt, Greece, Iceland, Iraq, Ireland, Israel, New Zealand, Norway, Philippine Republic, United Kingdom, Union of South Africa, and the United States. (14)

Abstentions: Austria, Indonesia, Italy, Liberia, Sweden, Switzerland, and Thailand. (7)

Plenary

For: Argentina, Belgium, Brazil, Cuba, Denmark, France, India, Mexico, the Netherlands, *Norway*, Portugal, Spain and Venezuela. (13)

Against: Australia, *Austria*, Canada, Egypt, Greece, Iceland, Iraq, Ireland, Israel, *Italy*, *Liberia*, New Zealand, Philippine Republic, *Turkey*, United Kingdom, Union of South Africa and the United States. (17)

Abstentions: Indonesia, Sweden, Switzerland and Thailand. (4)

As it appeared likely that the issue might be raised again in the ICAO Council during the course of its fall session, Mr. Baldwin and Mr. Moran met United States officials in Washington last July to discuss the matter and make plans to stave off any further attempt to move the headquarters from Montreal. It was agreed that as a first step, representations should be made to those governments represented on the ICAO Council who had voted in favour of the Portuguese proposal in the 1952 Assembly. Accordingly,

Canada undertook to approach the governments of the following countries: Belgium, Denmark, France, India, Mexico, the Netherlands, Norway and Sweden.

The *United States* agreed to make similar representations in: Belgium, France, the Netherlands, Portugal and Venezuela.

The *United Kingdom* was to be asked by Canada to instruct their Heads of Mission in Denmark, Norway and Sweden to make representations in concert with their Canadian colleague. In addition,

a) representations made by Canada abroad were to be accompanied by parallel representations through the Canadian representatives at the UN Headquarters to the UN delegate of the country approached;

b) the United States were to request their delegate to the UN to approach his Latin-American colleagues.

The Canadian representations were made last September with the following results:

Belgium

The Belgium Government showed sympathetic consideration to our representation and later informed that they had instructed their representative at ICAO "to vote in present circumstances in favour of maintaining the seat of this Organization in Montreal."

Denmark

The Danish attitude was that while they favoured a study being made of other possible sites, they were not necessarily against the Canadian desire to retain the headquarters in Montreal. Moreover, in view of the adverse vote in the 1952 Assembly, their representative on the ICAO Council had been instructed to oppose reconsideration of the matter by the Council at this time.

France

The French representative at ICAO was instructed by his Government not to support any suggestion that the question be discussed in Council at this stage. We were also informed, however, that the French authorities did not wish to commit themselves as to the attitude of the French Government should the location of the ICAO Headquarters come up for discussion at the 1953 Assembly.

India

The Indian authorities seemed to think that one's attitude to this question would depend on one's geographical location and how much hard currency one had. While sympathetic to the Canadian desire to maintain the headquarters in Montreal, they were not prepared to do more than to promise to give the matter "close consideration."

Mexico

The Mexican Government assured us that instructions would be sent to their delegates to oppose any proposal to transfer headquarters from Montreal, both in the Council and at the next meeting of the Assembly. The Mexican authorities were not prepared, however, to instruct them to oppose a motion in the Council, should it be presented, to study the merits of alternative sites.

Netherlands

The Dutch attitude may also be summed up as being a neutral one. The lack of cooperation from Quebec provincial authorities was especially mentioned; it was felt that a favourable and early decision by the Quebec Government would go a long way to strengthen the position vis-à-vis the Dutch and other delegations.

Norway

The Norwegian authorities indicated that they did not wish the question to be raised again in the ICAO Council and that if it were, they would vote against on grounds that the Council should not reconsider Assembly decisions.

Sweden

The Swedish position was the same as that of Norway. The Swedish authorities added, however, they they were not interested in having the question raised at the 1953 Assembly.

With regard to the U.S. and U.K. representations, there is not a great deal of information on file. We have some indication that a number of contacts were made by the U.S. and we may assume that what they agreed to do last autumn was actually carried out. Our file does not disclose, however, whether the U.K. supported our representations in the three Scandinavian countries nor does it disclose what the results of the U.S. and U.K. (if any) representations were. I have checked with Miss Wilson of the U.S. Embassy and Mr. Hyndman of External to ascertain whether they have some information on the results of the representations made by the U.S. and U.K. governments. Miss Wilson has no more information than we have; Mr. Hyndman has promised to look this up and let me know.

It will be noted that the approaches we made last September were confined to a certain number of countries represented on the ICAO Council. Moreover, these representations had the limited aim of preventing the headquarters question from being raised in the Council. With this in mind, it may be said that the effort was successful since the question was not raised in the Council. There seems little doubt, however, that the matter will be discussed again at the 1953 Assembly in view of the close vote at the last meeting and the apparent dissatisfaction with Montreal on the part of a number of States. Therefore, further representations on a broader scale might well be necessary before the 1953 meeting.

G.W. NADEAU

2^e^ PARTIE/PART 2

RELATIONS AVEC DES PAYS PARTICULIERS
RELATIONS WITH INDIVIDUAL COUNTRIES

SECTION A

MEXIQUE/MEXICO

522. DEA/72-AGM-40

Le Secrétaire d'État aux Affaires extérieures
à l'ambassadeur au Mexique

Secretary of State for External Affairs
to Ambassador in Mexico

TELEGRAM 61 Ottawa, December 27, 1951

CONFIDENTIAL

Following for Moran from Heeney, Begins: I understand that before you left Ottawa the Chairman of the Air Transport Board asked you to take some sounding in Mexico City, Lima,[22] and Rio de Janeiro about the possibility of obtaining traffic rights for a Canadian airline at those points. I see no objection to your making informal enquiries and would be glad to hear of your plans on the matter. The following information may be useful to you.

2. The Air Transport Board are thinking in terms of bilateral agreements to provide for services by a designated Canadian airline from Vancouver to Mexico City and onward to Lima and Rio de Janeiro. They would not, repeat

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[22] Voir les documents 550-562./See Documents 550-562.

not, seek Fifth Freedom Rights[23] in the United States but would wish to obtain such for traffic between the above-mentioned points. As a temporary measure they might wish to obtain permission for a designated Canadian airline to obtain charter flights to the three cities over a period of six months in order to explore traffic possibilities. If agreements are negotiated they may decide to include rights for a Canadian airline from Montreal to Mexico City and Rio de Janeiro. A decision on this point would depend on TCA views which are not yet known and on what reciprocal demands are made.

3. We have previously had inconclusive negotiations with Brazil and Peru on civil aviation agreements. In January 1950 we approached Mexico and Peru concerning CPAL[24] plans to operate charter flights from Vancouver. You will probably find sufficient details for your purpose on our Missions' files.

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523. DEA/72-AMZ-40

L'ambassadeur au Mexique
au secrétaire d'État aux Affaires extérieures

Ambassador in Mexico
to Secretary of State for External Affairs

TELEGRAM 2 Mexico City, January 7, 1952

CONFIDENTIAL

BILATERAL AIR AGREEMENT WITH MEXICO

Reference: Your telegram No. 61 of December 27th, Heeney to Moran.

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[23] Les cinq libertés de l'air sont :
1) Le privilège de traverser un territoire sans atterrir ;
2) Le privilège d'atterrir pour des raisons non-commerciales ;
3) Le privilège de débarquer des passagers, du courrier et des marchandises embarqués sur le territoire de l'État dont l'aéronef possède la nationalité ;
4) Le privilège d'embarquer des passagers, du courrier et des marchandises à destination du territoire de l'État dont l'aéronef possède la nationalité ;
5) Le privilège d'embarquer des passagers, du courrier et des marchandises à destination du territoire de tout autre État Contractant et le privilège de débarquer des passagers, du courrier et des marchandises en provenance du territoire de tout autre État Contractant.

The Five Freedoms of the Air are:
First Freedom: The freedom to fly across a territory without landing;
Second Freedom: The freedom to land for non-traffic purposes;
Third Freedom: The freedom to put down passengers, mail and cargo taken on in the territory or the State whose nationality the aircraft possesses;
Fourth Freedom: The freedom to take on passengers, mail and cargo destined for the territory of the State whose nationality the aircraft possesses;
Fifth Freedom: The freedom to take on passengers, mail and cargo destined for the territory of another State and the privilege to put down passengers, mail and cargo coming from any such territory.

[24] Canadian Pacific Air Lines.

Search through our files, which may be incomplete, shows last correspondence on this subject despatch No. 153 of July 5th, 1948, from Ottawa and Nos. 188 and 208 of August 7th and August 27th, 1948, from Mexico.

Before reopening the question even informally with the Mexican authorities, I should like to know why the proposed negotiations were not carried out at that time.

With reference to the exchange of telegrams of January 9th and January 14th, 1950, on the possibility of Canadian Pacific Airlines operating charter flights between Vancouver and Mexico, was anything further done?

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524. DEA/72-ACU-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur au Mexique

Secretary of State for External Affairs
to Ambassador in Mexico

TELEGRAM Air 1 Ottawa, January 14, 1952

CONFIDENTIAL

BILATERAL AIR AGREEMENT WITH MEXICO

Reference: Your Telegram No. 2 of January 7th.

In 1948 the Mexicans requested negotiations, but when we offered them a draft for an agreement they did not reply. We were not then sufficiently interested to revive the matter.

2. Our enquiry of January 9th, 1950 was made at the request of Canadian Pacific Airlines. Their plans were tentative and they apparently decided not to proceed with them at that time.

3. With this, you will have as much information as is available here. You will note that at present we simply wish to explore the possibility of obtaining a route from Vancouver to Mexico City and points beyond. We will not raise the question of a route from Eastern Canada now but we might do so later on if negotiations develop on a bilateral agreement.

4. It might suit us best if, as a temporary arrangement, the Mexican authorities agreed to permit a Canadian airline to fly a series of flights between Vancouver, Mexico City and points beyond to test traffic potentialities. The flights would be on a scheduled basis of one a week or less and would continue for some months. They would help us to decide whether a formal agreement is likely to be worthwhile. Would you please find out what the chances are of obtaining such an arrangement.

5. If the Mexicans insist on having a formal agreement before granting any traffic rights, we will probably wish to negotiate.

525. DEA/72-ACU-40

L'ambassadeur au Mexique
au secrétaire d'État aux Affaires extérieures

Ambassador in Mexico
to Secretary of State for External Affairs

TELEGRAM Air 1 Mexico City, January 28, 1952

BILATERAL AIR AGREEMENT WITH MEXICO

Reference: Your Telegram Air No. 1 of January 14th.

As Mexican Minister of Communications absent in United States, I delegated Blanchette[25] to call on Director General of Civil Aviation concerning your proposal.

2. Much to our surprise the Director General agreed in principle to scheduled, repeat scheduled, flight between Vancouver and Mexico City for designated Canadian air lines to explore traffic possibilties and gave verbal assurance of Mexican readiness to negotiate Civil Air Agreement if necessary. He promised to confirm these statements in writing after consultation with his Minister.

3. Director General asked what "points beyond" were concerned in our request but did not press the matter. He added he did not think traffic possibilities would be great between Mexico City and Vancouver. For your information he also told Blanchette that Mexican Government would approach United States Government with a view to re-negotiating current Civil Air Agreement.

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526. DEA/72-ACU-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur au Mexique

Secretary of State for External Affairs
to Ambassador in Mexico

DESPATCH No. E-92 Ottawa, March 20, 1952

CONFIDENTIAL

BILATERAL AIR AGREEMENT WITH MEXICO

Reference: Your Air Telegram No. 1 of January 28th, 1952.

We have now received authority to proceed with negotiation of a bilateral air agreement with Mexico. Enclosed are three copies of a draft for such an agreement.† I would be grateful if you would send two copies to the Mexican authorities and ask them if they would be willing to accept it as a basis for

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[25] Arthur Blanchette, agent d'information et vice-consul de l'ambassade au Mexique.
Arthur Blanchette, Information Officer and Vice Consul, Embassy in Mexico.

negotiation. You might say that we would be glad to consider any changes they may wish to see made in it.

2. You will note from the terms of our draft that the actual rights to be exchanged will depend on what routes are laid down in the schedule to the Agreement. If the Mexican authorities can accept the general form of the draft, our further negotiations with them will be concerned mainly with the question of route designation. Though we are not yet entirely clear on what we will ask for, you may inform them as a preliminary indication that we are primarily interested in a route from Vancouver to Mexico City with onward rights to Peru and Brazil. If Canadian Pacific Airlines are authorized to operate over such a route, they could probably begin services in 1953. We will not be interested in an intermediate stop in the United States.

3. Further, we might wish to exchange rights on a route from Eastern Canada to Mexico City. On the Canadian side, such a route would probably be operated from Montreal or Toronto by Trans-Canada Airlines as an extension of one of their present Caribbean routes. Again, we would not be interested in intermediate rights in the United States.

4. We would be glad to hear of anything you may learn about what rights the Mexican authorities would be likely to ask for in exchange.

H.O. MORAN
for Secretary of State
for External Affairs

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527. DEA/72-AKS-40

Le sous-secrétaire d'État adjoint aux Affaires extérieures
à l'ambassadeur au Mexique

Assistant Under-Secretary of State for External Affairs
to Ambassador in Mexico

Ottawa, April 19, 1952

Dear Mr. Hébert,

The President of Trans-Canada Airlines, Mr. Gordon MacGregor, has reported to me a conversation which he had on April 9, with a representative of Aerovias Guest, S.A., and whose name he understood to be Montero. The story told by Montero is that recently a Dutch delegation headed by Prince Bernhard and including representatives of KLM[26] called upon the President of Mexico and asked for Mexican traffic rights for two distinct KLM services: the one between Mexico City and Caracas and other between Canada and Mexico City, via Monterey (the Monterey stop being introduced for operational reasons, due to the elevation of Mexico City).

2. According to Montero, the Dutch delegation told the President of Mexico that Canada was not only agreeable to, but enthusiastic over the prospect of KLM operating between Canada and Mexico City.

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[26] Royal Dutch Airlines.

3. It is understood that the President turned down the Caracas-Mexico City application but, because of the unlikelihood of a Mexican carrier operating to Canada in the foreseeable future and in view of the reputedly favourable attitude of Canada toward the application, the President told the Dutch delegation that he would approve the Canada-Monterey-Mexico City application.

4. You should know that KLM has made no approach to us on this matter and consequently there has been no reason for the Canadian authorities to consider or express an opinion on the Canadian attitude. It would be helpful if, on some appropriate occasion, you could mention to the Mexican authorities that you had heard something of the representations made by KLM and point out that this question has never been considered in Canada nor were we aware that such an approach to the Mexican Government would be made by the Dutch. It would be quite inadvisable to mention the source of our information. In fact, I think you should take the line that this information had come to us indirectly and that while there may be no foundation for it, you nevertheless felt that the Mexican authorities should know that Canada was not even considering let alone supporting the KLM application.

Yours sincerely,

H.O. MORAN

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528. DEA/72-ACU-40

L'ambassadeur au Mexique
au secrétaire d'État aux Affaires extérieures

Ambassador in Mexico
to Secretary of State for External Affairs

TELEGRAM Air 4 Mexico City, April 22, 1952

RESTRICTED

BILATERAL AIR AGREEMENT WITH MEXICO

Reference: Your despatch No. E92 of March 20th.

Blanchette saw the Director General of Civil Aviation this morning and left with him your draft agreement and aide memoire about the proposal contained in the aforesaid despatch.

The Director General promised to study both and to reply in writing soonest. However his initial reaction to the proposal was completely negative. Upon learning that Lima and Rio were the ultimate destination of the flights out of Vancouver he said that the Mexican Government would "probably not" agree to intermediate rights here. About the proposed TCA route he said that the Mexican Government would "certainly not" grant rights. Think Pan American, through the Mexican officer of its Mexican subsidiary, has powerful enough influence in government circles to block the request for traffic rights in competition to its existing quasi monopoly on traffic south and east out of Mexico.

Despatch follows as soon as formal reply received.

529. DEA/72-AKS-40

L'ambassadeur au Mexique
au sous-secrétaire d'État adjoint aux Affaires extérieures

Ambassador in Mexico
to Assistant Under-Secretary of State for External Affairs

Mexico City, April 29, 1952

Dear Mr. Moran:

Your letter of April 19th has been read here with considerable interest and no little surprise. You have perhaps seen by now my despatch No. 151 of April 16th about the concession recently granted to KLM by the Mexican Government,† as well as my telegram No. 4 of April 21st about our own negotiations. Since the views expressed in my despatch may have in turn come as a surprise to you, the following background may be of interest to you.

When Blanchette called on Martin Perez, Director General of Civil Aviation here, he brought up the question of KLM's recent concession during the discussion of our own proposals. Martin Perez told him that at first KLM's negotiators asked for permission to fly from Amsterdam to Mexico City via Bermuda. Later, presumably because Mexico would not agree to a Caribbean to Mexico line, in competition with CMA,[27] Montreal was proposed as an intermediate point. Martin Perez had at the time assumed that KLM had obtained the Canadian Government's concurrence and had not questioned the Dutch about this. He then went on to ask what the Canadian Government had secured from the Dutch Government in exchange and whether KLM had in effect approached the Canadian Government at all. As the Embassy had not been informed of any negotiations between KLM and the Canadian Government, Blanchette replied frankly that he did not know.

A few days before Blanchette's call on Martin Perez, we had been told by the Dutch Minister here that KLM had insisted on a stop in Montreal with fifth freedom rights there in order to make the new concession pay. As we had no reason at the time to doubt the truth of his statements, I quoted them in my despatch under reference.

The Dutch are still negotiating an air agreement with the Mexicans. What happened, I gather, was that the schedule to the agreement was approved before the agreement itself. What will happen now, I do not know. However, as Martin Perez had asked specific questions about the alleged KLM stop in Montreal, I felt that Blanchette might bring the substance of the last paragraph of your letter to his attention. He has already done so without, of course, revealing the source of his information.

If we hear further about this, I shall write again.

Yours sincerely,

C.P. HÉBERT

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[27] Compañia Mexicana de Aviacion.

530. DEA/72-ACU-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur au Mexique

Secretary of State for External Affairs
to Ambassador in Mexico

TELEGRAM Air 2 Ottawa, June 14, 1952

CONFIDENTIAL

AIR AGREEMENT WITH MEXICO

Reference: Your Air Telegram No. 4 of April 22nd, 1952.

We would be glad if you would try to get a definite answer soon on whether the form of our draft agreement is acceptable to the Mexicans and whether they will entertain granting Fifth Freedom rights for CPAL between Mexico City and Lima and Rio de Janeiro.

2. For your own information, if they are unwilling to grant Fifth Freedom rights, we will probably be prepared to settle for traffic rights between Vancouver and Mexico City only (Third and Fourth Freedoms) with the right to route flights onward to Lima and Rio. However, we do not wish to propose this unless they refuse Fifth Freedom rights. The first step will be to obtain a definite reply on the form of our draft and, if possible, their agreement to Fifth Freedom rights.

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531. DEA/72-ACU-40

L'ambassadeur au Mexique
au secrétaire d'État aux Affaires extérieures

Ambassador in Mexico
to Secretary of State for External Affairs

TELEGRAM 40 Mexico City, June 16, 1952

CONFIDENTIAL

BILATERAL AIR AGREEMENT WITH MEXICO

Reference: My air telegram No. 4 of 22nd April.

Following for Moran, Begins: Last week Blanchette called on Director General of Civil Aviation to discuss draft agreement. He was on the occasion accompanied by Main, McGregor, and Budd of the Canadian Pacific who were seeking Mexican views about Fifth Freedom Rights South to Lima.

2. Apparently complete change of policy has occurred since last telegram. Mexicans now seem willing both to accept the air agreement with Canada and to grant Fifth Freedom Rights to Canadian Pacific South of Mexico City

provided, however, that in reciprocity Canadian Government will agree to Mexican concessions from Mexico City to Montreal through either New Orleans or Miami and New York with Fifth Freedom Rights at each intermediate point on route.

3. Director General hinted to Blanchette that United States authorities might not be averse to Fifth Freedom Rights at either New Orleans or Miami and New York if Mexicans prepared to allow Eastern, Trans World and United to come into Mexico City.

4. He also said Montreal would be terminal point for the time being but that North Atlantic extension might eventually be sought. He told McGregor privately that no extension out of Montreal would ever be requested. Blanchette hopes to clarify this contradiction during forthcoming interviews.

5. Designation of Mexican operators would be neither Guest or CMA but a new "government owned and operated" air line now being formed. Suspect this line may merely be another PAA agency in Mexico or CMA in disguise.

6. Mexican comments on draft agreement now before President of the Republic for approval. Blanchette will see Director General about this later this week. Will report developments. In the meantime McGregor hopes call on you towards the end of the week. Ends.

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532. DEA/72-AKS-40

Note du président de la Commission des transports aériens pour le ministre des Transports

Memorandum from Chairman, Air Transport Board, to Minister of Transport

Ottawa, June 27, 1952

The Netherlands Ambassador together with a representative of KLM of the Netherlands Civil Aviation Department called upon Mr. Moran this morning to raise the question of 5th Freedom rights for KLM between Montreal and Mexico City and at that time submitted the attached memorandum.† I was present at the discussions.

Basically the Dutch proposal was to substitute a Montreal-Mexico-Caracao route for their present Montreal-Mexico-Cuba route with 5th Freedom rights which they presently do not have being available between Montreal and Mexico City. A formal reply to the memorandum will be required.

The Netherlands arguments are covered in the memorandum and need not be repeated although a suggestion was made that because of the fact that we were considering a Mexican route for TCA in the indefinite future we might grant KLM temporary rights until a Canadian airline was established, the situation to be reviewed when TCA started service.

The Netherlands representatives claim that the Mexican government was anxious to have these traffic rights granted to KLM. Since our understanding here was to the contrary, Mr. Moran suggested that they might wish to obtain confirmation of this from the Mexican authorities directly to Canada; and after the meeting indicated that he would check on this point through the Canadian Ambassador as well since KLM would undoubtely put it up to them that Canada wished Mexico to support KLM in this; and the Canadian Ambassador should be warned to inform the Mexican authorities that we were not behind the KLM request.

My own opinion is that in view of the negotiations presently underway with Mexico it would be unwise to grant the Netherlands request at this time. If we fail to achieve a bilateral with Mexico and there is no possibilty of a Canadian airline operating, the KLM request would have to be considered in the light of those circumstances. If, on the other hand, we do get authority for a service from Montreal to Mexico we should not prejudice that service by granting rights to KLM. Much too would depend on how soon TCA would find itself in a position to operate this route.

The route is worthy of serious consideration. Traffic from Canada to Mexico is going mostly by U.S. airlines out of New York or Chicago at present. TCA is presently giving consideration to this route I understand.

It is my recommendation that the answer should be that we can not see our way clear to grant this request for the present even on a temporary basis until our negotiations with Mexico have advanced and we see what is likely to emerge in the way of Canadian or Mexican operations between the two countries.

J.R. BALDWIN

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533. DEA/72-ACU-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur au Mexique

Secretary of State for External Affairs
to Ambassador in Mexico

DESPATCH NO. E-224 Ottawa, July 3, 1952

CONFIDENTIAL

BILATERAL AIR AGREEMENT WITH MEXICO

Reference: Your Telegram No. 40 of June 16th, 1952.

We were pleased to learn that the Mexican Government may be willing to consider granting Fifth Freedom traffic rights and is interested in an eastern route to Montreal. Since Trans-Canada Airlines is also interested in such a route, we would be glad to extend the scope of the negotiations to cover it.

2. It now appears that Canadian Pacific Airlines may be able to obtain temporary permits to operate to Lima, Rio de Janeiro and Sao Paulo, pending

the negotiation of agreements with Peru and Brazil. However, they feel that, as far as Mexico is concerned, an agreement should be concluded before services are commenced. In addition, we have in mind that the forthcoming elections in Mexico and possible resulting political changes could cause delay if an agreement is not reached soon. For these reasons, we would be glad if you would carry the negotiations forward as quickly as possible.

3. Our proposals for a route pattern which you may put before the Mexican authorities are contained in the enclosed paper.[†] They provide for two routes; a Western route which would be identical for the carriers in both countries; and Eastern routes on which there would be an exchange of rights which are reasonably reciprocal.

4. Concerning the No. 1 Canadian route (Vancouver to Mexico City) we would like you to explore the Mexican reaction to our tentative inclusion of an intermediate traffic stop in the United States. The enclosed paper lists two alternative ways of providing for such a stop. The first is to name San Francisco specifically, the second and less preferable is to leave the question open by using the formula "points in the United States to be mutually agreed —." This proposal for a traffic stop in the United States is new. In explanation, you might say that while CPAL have no plans at present for exercising traffic rights in the United States on the Vancouver-Mexico City route, we think that both CPAL and whatever Mexican carrier is designated might in future find such a provision useful. We would prefer that it be included if the Mexican authorities do not object, but if they do, we would be willing to drop the proposal.

5. Concerning the No. 2 Canadian route, please explain that Tampa-St. Petersburg constitutes one stop, at an airport which serves both cities.

6. The No. 1 Mexican route is identical with the No. 1 Canadian route and should not create difficulties. Please ascertain whether the Mexican Government will in fact want this route to be included for their carrier.

7. Our proposals for the No. 2 Mexican route will require some explanation since they do not include all the concessions which the Mexican authorities mentioned and which you listed in paragraph 2 of your Telegram No. 40. Concerning them, you might say that we are interested in maintaining the principle of equal treatment in intergovernmental exchanges involving Fifth Freedom rights. In our view, it would not be a fair exchange if Mexico were to obtain intermediate stops at all of Miami, New Orleans and New York while Canada was seeking and getting only one such stop, presumably at Tampa-St. Petersburg. We would have no objection to a Mexican stop at either Miami or New Orleans, but at this stage would prefer not to commit ourselves concerning New York because of the difficult precedent this would create for us in dealing with numerous requests from European airlines for similar privileges. We think that the Mexican authorities will appreciate the difficulties we face in this respect. For your own information, we doubt whether the Mexican Government could obtain traffic rights at Miami from the United States Government, and on this account think that it would be more practicable to name New Orleans.

8. In any event, it seems undesirable to designate a number of intermediate points in the United States at a time when it is by no means clear whether the consent of the United States Government can be obtained. Under these circumstances, we would recommend the formula we have used in the enclosed paper for the future naming of additional intermediate stopping points by mutual agreement.

9. A final point about the route pattern concerns Mexico City itself. We understand that because of altitude and climatic conditions, operational use of the Mexican City airport may not always be feasible, and that the use of Monterey as an alternate or transit stop is desirable and is, in fact, quite general. Lacking more definite information, we are not clear whether this should be provided for specifically in the bilateral agreement. We would be glad if you would explore this point with the Mexican authorities with a view to making suitable provision for the use of Monterey if this appears to be necessary.

10. The information contained in your Telegram No. 40 about a possible Mexican operator for the Canadian routes was interesting to us. We assume that the Mexican Government is fully aware that in concluding bilateral air agreements we adhere firmly to the principle that substantial ownership and control of a designated airline must be vested in the country of its nationality.

11. Thank you for the careful attention you have given to this question. I would be glad to have a brief report from you by telegram after you have discussed our proposals with the Mexican authorities; in particular, you might let me know whether the prospects warrant an early visit to Mexico City by a civil aviation official from Ottawa. The Air Transport Board have said that they would be willing to arrange such a visit if it appears that this would assist you to conclude the negotiations successfully.

H.O. MORAN
for Secretary of State
for External Affairs

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534. DEA/72-ACU-40

Note du président de la Commission des transports aériens pour le ministre des Transports

Memorandum from Chairman, Air Transport Board, to Minister of Transport

Ottawa, July 4, 1952

KLM REQUEST FOR TRAFFIC RIGHTS MONTREAL-MEXICO CITY

On July 2nd the Under-Secretary of State for External Affairs informed the Netherlands Ambassador that no decision could be reached on the KLM request until more definite information was available concerning projected Canadian operations to Mexico City and the present negotiations with Mexico in that regard; and that it was impossible to state how soon this situation would be clarified.

KLM representatives then put forward a modified request asking for fifth freedom for KLM from Montreal to Mexico immediately on the understanding that these traffic rights could be terminated at any time on three months notice so that if a Canadian operation should be established Canada could withdraw KLM's rights at that time if it so desired. In theory this offers some merits in providing a direct air connection but in practice has the very serious danger of the "foot in the door" idea since from experience we know how difficult it is to withdraw anything once it has been established, even though provision has been made for its withdrawal.

External however undertook that this modified proposal would be submitted at Ministerial level to see whether it would be acceptable. My personal recommendation is that it should not be granted at the present time and that we should take the same line, i.e. that we want to carry forward our own negotiations with Mexico.[28]

It is interesting in this connection that whereas negotiations with Mexico appeared to have taken a favourable turn a few weeks ago and it was understood at that time that the Mexicans definitely were interested in their own airline operation to Montreal, we now have a communication from the Mexican Ambassador supporting the KLM request, clear evidence as to some confusion as to how far we are likely to get with Mexico and what their own position is.

External has pointed out that it would be inadvisable to reject completely the KLM request (preferring rather to hold it in abeyance) because of the fact that direct air service from Montreal to Mexico would be advantageous in view of growing traffic and that if it is not possible to establish a Canadian operation there might be a case for allowing this service in the public interest. It is theoretically possible in this connection that if the Mexicans themselves are not interested in a Mexican operation on the route, they might ask permission to designate KLM as the Mexican operator on the route in return for granting a route to Canada, although there has been no suggestion of this as yet.

Would you approve the proposed further reply to the further KLM request as above?

J.R. BALDWIN

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[28] Note marginale :/Marginal note:
Approved by Minister. July 18/52 J.R. B[aldwin]

535. DEA/72-ACU-40

L'ambassadeur au Mexique
au secrétaire d'État aux Affaires extérieures

Ambassador in Mexico
to Secretary of State for External Affairs

TELEGRAM 48 Mexico City, July 10, 1952

CONFIDENTIAL

CIVIL AIR AGREEMENT

Reference: Your despatch No. 224 of July 3rd.

Following for Moran, Begins: Director General Civil Aviation emphatically told Blanchette this morning that under no circumstances will Mexico be willing to consider negotiating agreement based on proposal made in despatch under reference. Negotiations must be restricted, he said, to proposal made last March and it must be that or nothing else. He added that no Canadian carriers coming into Mexico from the east will be acceptable and that no intermediate stops in United States on western route can be countenanced now. Apparently P.A.L.[29] negotiations are breaking down on the same points owing to Mexican intransigence. He stressed that if the Canadian Government is unwilling to negotiate on original basis immediately it will be useless to try to do so after mid August owing to change in administration. It occurs to us trying subsequent administration could hardly be less amenable.

He also brought up question of KLM fifth freedom rights Montreal emphasizing that President is keenly interested therein and that if KLM request for Montreal refused he can not guarantee President will grant identical rights to CPAL here in the event of air agreement between Canada and Mexico on original basis. He answered however that CPAL could come in immediately on provisional third and fourth freedom basis. Mexicans want Canadian decision about KLM within next few days.

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536. DEA/72-ACU-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur au Mexique

Secretary of State for External Affairs
to Ambassdor in Mexico

TELEGRAM 64 Ottawa, July 23, 1952

AIR AGREEMENT WITH MEXICO

Following for Moran, Begins: Baldwin has spoken to Mr. Chevrier who has agreed that we should make one more effort to obtain a bilateral agreement before falling back on a provisional arrangement between CPAL and the Mexican authorities.

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[29] Peut-être CPAL./Possibly CPAL.

2. Baldwin would be glad if you would use your own discretion in trying to find a mutually agreeable basis for an agreement. He suggests that you might explore the possibility of listing only the western route with some formula for later negotiation of additional routes. As an alternative, if the Mexicans are sticking on intermediate points for a Canadian carrier on the eastern route, we might accept a route naming only Montreal and Mexico City with provision for the later negotiation of intermediate points.

3. As you know, it would not be easy for us to make a straight trade of an eastern for a western route but if this is the only basis on which the Mexicans will negotiate we will have to consider it. In that event, our decision would probably be to let CPAL make their own arrangements with the Mexicans.

4. Mr. Chevrier has decided that we should reject for the present KLM's request for rights at Montreal on a temporary basis. KLM should probably be kept out of the picture in talks with the Mexicans. However, we would be glad to know if the Mexicans show a disposition to trade rights for Canadian carriers in return for concessions by us to KLM.

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537. DEA/72-ACU-40

L'ambassadeur au Mexique
au secrétaire d'État aux Affaires extérieures

Ambassador in Mexico
to Secretary of State for External Affairs

TELEGRAM Air 6 Mexico City, July 23, 1952

CONFIDENTIAL

Following from Moran, Begins: Today I saw Martin Perez, Director of Civil Aviation, and from our discussion it is clear that:

(a) There is nothing to delay signature of a bilateral civil aviation agreement provided agreement can be reached on routes to be included in the schedule. Our draft agreement has been examined and only minor drafting changes will be suggested.

(b) Mexico will grant immediate traffic rights to CPA on a route Vancouver-Mexico City and points beyond in return for rights for a Mexican carrier on a route Mexico City, a point in the United States (perhaps New York) and Montreal. There appears no possibility of traffic rights being rented to a Canadian carrier on a Montreal-Mexico City route.

(c) When told it was most improbable that Canadian Government would grant the rights at Montreal to a Mexican company and to KLM, Perez withdrew Mexican request that Canada approve the KLM application. Sponsorship of KLM at this end stems from friendly relationship between President Aleman and Prince Bernhard.

2. Perez explained that Mexican policy avoids competition on routes operated by Mexican carriers. Normally, Mexico grants traffic rights to another country only in return for exclusive rights to a Mexican carrier on another route. For example, United States were granted traffic rights San Francisco to Mexico City in return for exclusive rights to Mexican carrier on route Los Angeles to Mexico City. Another example is exclusive rights to Guest Airways between Mexico and Florida route. In these circumstances, they would expect to have Montreal-Mexico City route reserved for Mexican carriers if they grant CPA rights Vancouver to Mexico City.

3. I told Perez that acceptance of this proposal would depend largely on TCA[30] desire and intention regarding operations into Mexico. Considering that TCA was anxious to commence Montreal-Mexico City service they would urge Canadian Government not to accept an arrangement which gave a Mexican company sole rights on route. Therefore, TCA intentions should be determined immediately and a government policy decision made unless TCA operations to South America are to be held up indefinitely.

4. The Mexicans had obviously hoped to obtain in return for privileges for CPA, rights on Montreal-Mexico City route for both a Mexican carrier and KLM. I think it is realized now on official level that this will not be possible and if, following consultation with the President, the Mexican authorities raise it again I suggest a firm stand by us will end the issue permanently.

5. If TCA is not to operate to Mexico City except under an agency arrangement with Guest Airways for which Mexican Government approval is not needed then it would, in my opinion, be much more in the Canadian interest to have KLM than a Mexican company fly to and from Montreal. It seems to me that such an arrangement would also be in the Mexican interest because the Canadian public is familiar with KLM and is more likely to use its services than a Mexican company whose reliability will not have been established in our country.

6. It would now seem possible to tell the Netherlands Ambassador that regardless of whether TCA is to seek traffic rights Montreal to Mexico City it is not possible for us to deal with the KLM application because Mexican Government does not wish it to take priority over rights for a Mexican company and Canadian Government would not likely grant traffic privileges at Montreal for two foreign carriers on this route.

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[30] Trans Canada Airlines.

538. PCO

Note du ministre des Transports pour le Cabinet

Memorandum from Minister of Transport to Cabinet

SECRET [Ottawa,] August 5, 1952

CANADIAN PACIFIC AIR LINES; SERVICE TO LATIN AMERICA

The Cabinet recently decided that Canadian Pacific Air Lines would be the designated Canadian carrier for operations generally within the Pacific area. Canadian Pacific Air Lines has expressed the desire to initiate scheduled service from Vancouver to Mexico City to Lima, Peru and thence to Brazil. The main purpose of the route is to develop a direct through connection between the Orient, and particularly Japan, to these Latin American countries where there are substantial centers of Oriental population and growing trade and immigration movements with the Orient. To obtain the necessary authorizations from these countries designation of Canadian Pacific Air Lines by the Canadian government for this route is necessary. It is recommended therefore that government approval be given to the designation of CPA for development of this route providing satisfactory arrangements can be made with the countries concerned.

In the case of Peru and Brazil no difficulties are foreseen and it is expected that these countries will grant provisional permits to CPA for the route pending conclusion of formal bilateral agreements with Canada.

In the case of Mexico, greater difficulties have arisen. It is apparent from experience in Mexico that a foreign airline is not normally given a permit unless it makes use of the appropriate legal firm designated by the Mexican government and pays a very high agreed fee in this connection. Apparently where such direct arrangements are made it is possible subsequently to get the route confirmed in a bilateral agreement but otherwise there is virtually no prospect of a bilateral agreement. However, a provisional permit obtained on this basis may be of questionable value unless subsequently confirmed by bilateral agreement.

We have now been informed through CPA that without any prejudice to the negotiation of a bilateral agreement and the routes to be included therein the Mexican authorities would be prepared to grant a provisional permit to CPA for its route from Vancouver if in return the Canadian government would be prepared to inform the Mexican government that if desired, it would issue to a Mexican airline a similar provisional temporary permit for operation into Montreal.

These routes would then subsequently have to be incorporated in a formal bilateral agreement in the negotiation of which Canada would have to raise the question of obtaining a route for TCA from Montreal or Toronto to Mexico. There is no certainty that this can be obtained but it is not likely unless the usual procedure of obtaining a provisional permit or payment of the "legal fee" is followed.

If the government wishes to authorize CPA to develop the route described it appears that we should accept the provisional permit exchange referred to above and subsequently seek conclusion of a bilateral agreement. The question of what should be done about a route for TCA in view of the procedures used by Mexico is obviously one for governmental consideration.

539. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa,] August 6, 1952

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CANADIAN PACIFIC AIR LINES; SERVICE TO LATIN AMERICA

7. *The Minister of Transport* reported that Canadian Pacific Air Lines wanted to initiate scheduled service from Vancouver to Mexico City and thence to Peru and Brazil. The main purpose of the route was to develop direct through connections between the Orient, particularly Japan, and the Latin American countries. To obtain the necessary authorizations from these countries, designation of Canadian Pacific Air Lines by the Canadian government for the route was necessary.

It was thought that provisional permits for Canadian Pacific Air Lines could be obtained without any difficulty from Peru and Brazil. In the case of Mexico, it was expected that an agreement could be worked out since that country was interested in obtaining a Canadian permit for the Mexico City-Montreal route. In view of the fact that it had been agreed some time ago that C.P.A. should be the designated Canadian carrier for operations generally within the Pacific area, it was recommended that approval be given to its designation for the development of the proposed route, providing satisfactory arrangements could be made with the countries concerned.

An explanatory note had been circulated.

(Minister's memorandum, August 5, 1952, Cab. Doc. 232-52)

8. *The Acting Prime Minister* thought, in view of the decision that, generally speaking, C.P.A. should be the designated Canadian carrier for Pacific operations, there would be no objection to allowing the line to establish a schedule service from Vancouver to Mexico, to Peru and even to Chile. He doubted, however, that it would be advisable to allow an extension to Brazil as it was in the Atlantic area in which Trans-Canada Airlines had been accepted as the Canadian carrier. If Mexico were granted a permit to operate into Montreal as a result of the proposed C.P.A. service between Vancouver and Mexico City, this might prejudice the likelihood of T.C.A. later obtaining a permit to establish a service into Mexico City from Toronto or Montreal. However, this did not appear to be a serious objection.

9. *The Secretary of State for External Affairs* thought it would be useful to obtain T.C.A. views before designating C.P.A. for the proposed route.

10. *Mr. Chevrier* said if the Air Transport Board were informed that the government had no objection in principle to C.P.A. being designated for the proposed new route the Board would hold hearings at which the views of T.C.A. could be ascertained and reported to Cabinet for a final decision.

11. *The Cabinet*, after discussion, agreed that,

(a) the Air Transport Board be informed that the government had no objection in principle to Canadian Pacific Air Lines being designated for the development of a scheduled service from Vancouver to Mexico City, Peru, and Chile but not to Brazil; and,

(b) a final decision as to the designation of C.P.A. for the line be deferred pending a report on the views of Trans-Canada Air Lines.

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540. DEA/72-ACU-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur au Mexique

Secretary of State for External Affairs
to Ambassador in Mexico

TELEGRAM Air 6 Ottawa, September 9, 1952

CONFIDENTIAL

Reference: Your Air No. 7, August 19[31] Air Agreement with Mexico.

On August 6 last Cabinet accepted a recommendation from the Minister of Transport that temporary rights be granted to a Mexican Airline on a Montreal-Mexico City route in return for similar rights for C.P.A.L. on a Vancouver-Mexico City route. Cabinet also approved the designation of C.P.A.L. to operate services to Mexico, Peru and Chile but not to Brazil. Later, in the discussions between Ministers, it was agreed that the reservation on Brazil might be modified to permit C.P.A.L. to operate there on the condition that, in whatsoever arrangement is made with the Brazilian Government, provision would be made for T.C.A. to also operate to that country. Our Embassy in Rio de Janeiro has been asked to find out whether the Brazilian Government will agree to such an arrangement.[32]

2. The C.P.A.L. decision to delay for the time being the conclusion of its negotiations in Mexico City stems from this Cabinet decision. Obviously, the company will not wish to complete its arrangements in Mexico until it is quite sure what rights it will be allowed to exercise at points further south.

3. If you think it would be useful you might let Perez know informally that as things now stand, we will probably be willing to grant temporary rights at

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[31] Non retrouvé./Not located.

[32] Aucun progrès n'a été accompli en vue de la signature d'un accord sur les transports aériens avec le Brésil.
No progress was made in concluding a bilateral air agreement with Brazil.

Montreal for a Mexican company in return for temporary rights for C.P.A.L. at Mexico City from Vancouver. However, a final decision will not be taken on this question until we have made further progress in our negotiations for traffic rights at points in South America.

541. DEA/72-ACU-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur au Mexique

Secretary of State for External Affairs
to Ambassador in Mexico

TELEGRAM Air 7 Ottawa, October 6, 1952

CONFIDENTIAL

AIR AGREEMENT WITH MEXICO

Reference: Our Air Telegram No. 6 of September 9, 1952.

1. After further consideration by Cabinet we have been authorized to notify the Mexican government officially as follows:

2. If the Mexican government issues a permit to Canadian Pacific Air Lines for service from Vancouver, the Canadian government would, if requested by the Mexican government, be prepared to issue a provisional permit to a Mexican airline to operate from Mexico to Montreal. This action will be taken on the understanding (a) that subsequently the two governments will proceed to negotiate a bilateral air agreement in which these routes would be incorporated; (b) that the Canadian authorities wish to have included in this bilateral agreement a route for TCA from eastern Canada (possibly from Toronto) to Mexico and would be prepared to offer to Mexico some concessions in return, such as a route to western Canada if desired; and (c) that continuation of this provisional permit arrangement will be contingent upon the negotiation in due course of a bilateral agreement along these lines.

3. While the foregoing should constitute the content of your official communication, you may explain informally that we cannot, in the arrangements for CPAL, prejudice in any way the possibility of obtaining a route for TCA as well. TCA is not in a position to operate to Mexico now and would not be ready for such an operation before 1954, — and quite possibly not until a later date. If, however, by the time TCA is ready to operate we have not been able to conclude a satisfactory reciprocal agreement with Mexico along the lines described it would obviously be exceedingly difficult for us to continue the provisional permit arrangement.

4. You should not in the official communication make any reference to intermediate stops in the United States for the Mexican airline coming to Montreal since we cannot make any commitment concerning such stops at the present time. While not opposed to considering the possibilty of such stops, we have not asked Mexico for any intermediate stops in the United States for Canadian Pacific Airlines on its route from Vancouver. Moreover, the Mexican

government has not been granted any traffic rights at intermediate points in United States territory by the United States government and the whole question of a bilateral air agreement between Mexico and the United States is up for discussion at present. It would be meaningless on our part to designate specific intermediate stops in United States territory at the present time and the matter could much better be dealt with at a later date when the situation as regards traffic rights granted by the United States is somewhat clearer. This matter of intermediate stops should not be mentioned to the Mexican authorities unless they raise it, but should they inquire you may answer them informally along the foregoing lines.

5. We understand that CPAL will be taking prompt action to obtain its provisional permit and that either Mr. McConachis or Mr. McGregor of CPAL will in all probability go to Mexico City shortly for this purpose. Because of this we would be glad if you could convey the official message to the Mexican authorities as soon as possible.

6. We have been considering whether we should now press vigorously for negotiation of the formal bilateral agreement or whether it would be better to let this matter stand until the new government has taken office on December 1st and take it up thereafter. We would welcome your comments and advice on this point.

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542. DEA/72-ACU-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur au Mexique

Secretary of State for External Affairs
to Ambassador in Mexico

TELEGRAM 80 Ottawa, October 9, 1952

CONFIDENTIAL

AIR AGREEMENT WITH MEXICO

Reference: Our Air Telegram No. 7 of October 6, 1952.

To reflect the actual terms of the Cabinet decision, paragraph 2 sub-paragraph (c) of our air telegram No. 7 should be amended to read as follows:

"that should the Mexican Government be unwilling to agree to a route for TCA from Eastern Canada, the arrangements with regard to the temporary licences would have to be reconsidered."

543. DEA/72-ACU-40

Le sous-secrétaire d'État aux Affaires extérieures
au président de la Commission des transports aériens

Under-Secretary of State for External Affairs
to Chairman, Air Transport Board

Ottawa, November 12, 1952

1. Enclosed are copies of air telegrams No. 11 and No. 12 of November 3 and 4, respectively, and telegram No. 75 of November 7, 1952, from Blanchette, concerning Canadian Pacific Airlines negotiations in Mexico City.† The permit has been signed; CPAL have received what we hope will prove to be value for money; and the final settlement seems not to have reflected the suspected machinations of KLM, unless the loss of rights between Mexico City and Lima for CPAL can be attributed to their influence.

2. KLM may not yet be out of the picture and since they must by now have a considerable investment in the present Mexican administration, they may be anxious to complete any projected deals before the administration goes out of existence on December 1st. There is good evidence in the enclosed telegrams that the administration itself is anxious for business and its prices may come down before it finally shuts up shop. Possibly KLM might try to buy up on a "temporary" basis the rights which we have agreed to grant to a Mexican carrier at Montreal.

3. One impression we have gained during the recent negotiations is that if TCA have any serious intentions of operating to Mexico City it would be dangerous to allow KLM to begin a Canada-Mexico service before we had obtained all the rights needed by TCA in Mexico. KLM seems to be well stocked with the sort of arguments which impress the official mind in Mexico. Should they be allowed to begin operating alone, they could make it extremely difficult for TCA to come into competition with them.

4. At the same time continued KLM interest in the Montreal-Mexico City route could prove of some advantage to us. Our instructions to the Embassy in Mexico City were that they should offer rights at Montreal for a Mexican airline in return for a licence for CPAL. Presumably there is no obligation on our part to accept KLM in place of a Mexican airline, and if the question if raised, we could state as our price traffic rights for TCA at Mexico City from Toronto or Montreal to be embodied in a bilateral agreement. Then, if KLM wanted the route badly enough, they would be in the position of having to persuade the Mexican authorities to accept our terms. This suggestion is of course offered tentatively for your consideration. If events were to develop along the lines of our speculations, we would think it should be referred to the ministers concerned before action is taken.

A.E. RITCHIE
for Under-Secretary of State
for External Affairs

SECTION B

NOUVELLE-ZÉLANDE/NEW ZEALAND

544. DEA/72-AHT-40

La Direction économique
à la Commission des transports aériens

Economic Division
to Air Transport Board

Ottawa, May 30, 1952

Dear Smith [McDonald]:

As you requested this morning, I have put down some notes on the question of transit rights at Auckland. A copy is attached.

You may use them as you wish in drafting your brief for Mr. McLean.[33] They reflect only my own views and there is nothing official about them.

Yours sincerely,

J.A. IRWIN

[PIÈCE JOINTE/ENCLOSURE]

DEA/72-AHT-40

Note de la Direction économique

Memorandum by Economic Division

[Ottawa, May 30, 1952]

NOTES ON TRANSIT RIGHTS FOR CANADIAN PACIFIC AIRLINES IN NEW ZEALAND

(1) In November, 1950, the New Zealand Government replied to our request for stopover rights for CPAL at Auckland. They stated that they were willing to grant transit rights only and on the basis of an exchange of notes.

(2) We replied that in our view we already had the right to fly in transit through New Zealand because New Zealand and Canada were both parties to

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[33] A.D. McLean, Commission des transports aériens.
A.D. McLean, Air Transport Board.

the Air Services Transit Agreement.[34] Therefore, we were not willing to exchange notes.

(3) The New Zealand authorities, while not accepting our position, decided (a year later) to let CPAL exercise transit rights on a temporary basis while they studied the question.

(4) We now doubt whether we can reasonably claim transit rights through New Zealand on the basis of the Air Services Transit Agreement. In fact, it seems fairly clear that we can not.

(5) If we can be entirely certain on this point, it would seem best to tell the New Zealand Government that we now feel that the Air Services Transit Agreement does not cover the situation at Auckland and that we are ready to exchange notes. Unless the New Zealand authorities have changed their minds about granting transit rights, that should liquidate the problem. Concerning the parallel problem which has arisen with the United Kingdom, such an admission should not prejudice our interests there if we are bound to say the same thing to the United Kingdom.

(6) However, if any doubt remains in our minds concerning the interpretation of the Air Services Transit Agreement, we might tell the New Zealanders that the question has arisen in similar form with the United Kingdom authorities; that we are about to discuss it with them and hope that general enlightenment will result; that we would be gratified if New Zealand would extend its temporary permission for transit rights until such time as we can carry the question further and make some statement on the legal points involved.

(7) There seems to be no advantage to opening up the bilateral agreement with New Zealand. If we are sure that our previous interpretation of the Air Services Transit Agreement was wrong, the New Zealand suggestion for an exchange of notes provides a quick and satisfactory solution. If, on the other hand, we are not so sure, it would probably be best, for the time being, to avoid doing anything definitive which might compromise our claim for rights under the Air Services Transit Agreement.

J.A. IRWIN

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[34] L'accord relatif au transit des services aériens internationaux faisait partie de l'Acte final de la Conférence internationale de l'aviation civile tenue à Chicago du 1er novembre au 7 décembre 1944. Selon cet Accord, chaque État Contractant accorde aux autres États Contractants, sous réserve de certaines conditions mentionnées dans l'Accord : 1) le privilège de traverser son territoire sans atterrir et 2) le privilège d'atterrir pour des raisons non-commerciales, relativement aux services aériens internationaux réguliers. Voir Canada, *Recueil des traités*, 1944, nº 36.

The International Air Services Transit Agreement was part of the Final Act of the International Civil Aviation Conference held in Chicago, November 1 to December 7, 1944. According to the Agreement each Contracting State granted to the other Contracting States, subject to specified conditions, (1) the privilege to fly across its territory without landing and (2) the privilege to land for non-traffic purposes in respect of scheduled international air services. See Canada, *Treaty Series*, 1944, No. 36.

545. DEA/72-AHT-40

Le secrétaire d'État aux Affaires extérieures
au haut-commissaire en Nouvelle-Zélande

Secretary of State for External Affairs
to High Commissioner in New Zealand

TELEGRAM 48 Ottawa, June 25, 1952

CONFIDENTIAL

TRANSIT RIGHTS FOR CPAL AT AUCKLAND

Mr. McLean of the Air Transport Board will wish to discuss this question with you and with the New Zealand authorities when he reaches Wellington.

2. It has been decided here that we should accept the grant of transit rights by an exchange of notes, and that the New Zealand draft given in your Telegram No. 142 of November 14th, 1950, is acceptable. If the New Zealand authorities are still willing, you might make the exchange as soon as convenient after McLean has discussed the question with them.

3. If any changes in the draft are proposed, please consult us before proceeding.

4. Despatch follows.

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546. DEA/72-AHT-40

Le haut-commissariat en Nouvelle-Zélande
au sous-secrétaire d'État aux Affaires extérieures

High Commission in New Zealand
to Under-Secretary of State for External Affairs

LETTER No. 384 Wellington, July 21, 1952

CONFIDENTIAL

VISIT TO NEW ZEALAND OF CANADIAN CIVIL AVIATION OFFICIALS

Reference: Your telegram No. 48 of June 25, 1952.

1. For the purposes of the record it should be stated that the appearance of senior officials from Canada at the 6th Meeting of the S.P.A.T.C.[35] and then in New Zealand has been a tonic for New Zealand-Canadian relations in the sphere of civil aviation. It is probably true to say that New Zealand civil aviation officials have been distrustful of Canada's attempts to obtain special rights in this country. It is also probably true to say now that the distrust has evaporated as a result of the conversations held by Messrs. Robertson and Scott with their opposite numbers and by Mr. McLean with the Minister of Civil Aviation and the Secretary and Deputy-Secretary of his Air Department and with other leading figures in civil aviation here.

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[35] South Pacific Air Transport Council.

2. The improvement in the situation can be attributed to personalities, but the friendly interest shown by these men in New Zealand's aviation problems has been equally important. Leaving this aspect, however, it is to be recorded that in the negotiations for "transit rights" and discussions about stop-over rights, the Minister and Mr. Barrow showed themselves to be downright friendly and co-operative and most willing to accept our points of view for "consideration" at the very least.

3. In order to have some record of the conversation that Mr. McLean had with the Minister and Mr. Barrow, and to provide them with an informal record of his views, Mr. McLean wrote a letter to Mr. MacDonald,[36] two copies of which were sent forward with letter No. 370 of July 11, 1952.[†] It was hoped that the letter and the discussion would provide us with full information on the New Zealand attitude towards stop-over rights. During the discussion, incidentally, it became evident that there was some confusion in thought here: Mr. MacDonald evidently thought that we were asking for fifth freedom rights and on being reassured about this became quite receptive to the argument put forward for stop-over rights. Both the Minister and Mr. Barrow showed alarm about Pan American World Airways especially, and other air lines generally, if the door to fifth freedom rights here were to be opened even a little. It is possible that they may have been partially disabused of the idea that stop-over rights would be the salesman's shoe. Unfortunately, during the Minister's second conversation with Mr. McLean, it was made clear that stop-over rights could not be granted and Mr. McLean's hope about "revised thinking" in his telegram to Mr. Baldwin has not been realized. This should be counted as a partial failure only; the chances of our getting these rights have improved beyond measure.

4 It is significant, I think, that Mr. McLean obtained approval in principle for an Exchange of Notes in a matter of minutes once he had noted as his own judgement that C.P.A.L. aircraft were not divisible and that accordingly our legal argument, so far as he was concerned, was invalid. His suggestion that "privileges" and "similar privileges" be substituted for "transit rights" seemed to be based on the reality of the situation and followed the wording of the New Zealand note of November 14, 1950, in which the sub-paragraphs begin "the privilege". It was readily accepted by Mr. Barrow.

5. The delay of a week in getting final agreement from the New Zealand authorities is not fully understood, but it may be the clue to the New Zealand amendment to paragraph 1(a)(i). Since this concerned the designation of Sydney as the terminal point, it is probable that it was put forward after consultation with the Australian authorities.

6. The Exchange of Notes has been further delayed by the Legal Adviser, who had not approved the New Zealand note of November 14, 1950 and saw

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[36] A.S. Macdonald, directeur exécutif et conseiller juridique de la Commission des transports aériens.
A.S. Macdonald, Executive Director and Legal Adviser, Air Transport Board.

objection to its form. We have been assured that no alteration of substance is contemplated.

7. One final word seems necessary. At your request the facilities of the mission were made available to Messrs. McLean, Robertson and Scott during their visit. When possible, the official vehicles were at their service, although we were hampered somewhat by their arrival on the July 1 weekend, normally one of the busiest times of the year in the office.

8. Although the Acting High Commissioner gave a reception in their honour, it should be noted that New Zealanders had their entertainment well in hand. Mr. McLean was flown to Christchurch and back by National Airways Corporation and was given a drive to Masterton to inspect an aerial top dressing service. He sat for an afternoon with the New Zealand Air Services Licensing Authority and has lunched with Sir Leonard Isitt,[37] Sir Arthur Nevill[38] and the Chief of the Air Staff, *et al.* We could not have wished for a better travelling ambassador.

P.V. McLane
Acting High Commission

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547. DEA/72-AHT-40

Le haut-commissaire en Nouvelle-Zélande
au sous-secrétaire d'État aux Affaires extérieures

High Commission in New Zealand
to Under-Secretary of State for External Affairs

Letter No. 424 Wellington, August 7, 1952

Confidential

RIGHTS FOR CANADIAN PACIFIC AIR LINES AT AUCKLAND

Reference: My telegram No. 65 of August 7, 1952.[†]

1. It had been hoped that the exchange of notes would take place before Mr. A.D. McLean left for Australia.

2. In the event, New Zealand's acceptance of the drafting changes was received only the day before his departure, and subsequently, the New Zealand authorities discovered that they objected to the note of November 14, 1950, as it was to form part of an international agreement. The re-draft, two copies of which are attached, is the result of this. Since there were so many changes, it

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[37] Le vice-maréchal de l'air Sir Leonard Isitt, président du Conseil d'administration de la New Zealand Airways Corporation et Tasman Empire Airways ; membre du conseil d'administration de la British Commonwealth Pacific Airlines Limited.
Air Vice Marshal Sir Leonard Isitt, Chairman of Directors, New Zealand Airways Corporation and Tasman Empire Airways; Director, British Commonwealth Pacific Airlines Ltd.

[38] Le vice-maréchal de l'air Sir Arthur Nevill, sous-directeur de l'Aviation civile de la Nouvelle-Zélande ; membre de l'Office des licences de navigation aérienne.
Air Vice Marshal Sir Arthur Nevill, Deputy Director of Civil Aviation of New Zealand; Member, Air Licensing Authority.

was felt advisable not to proceed to the exchange without asking for a renewal of authority.

ALFRED RIVE

[PIÈCE JOINTE/ENCLOSURE]

Nouvelle rédaction de l'échange de notes

Redraft of Exchange of Notes

P.M. 110/2/27 Wellington, August, 1952

My dear High Commissioner,

I refer to recent discussions in Wellington between representatives of the Government of Canada and the New Zealand Air authorities regarding a modification of the provisions of the Agreement dated 16 August 1950 between the Government of New Zealand and the Government of Canada relating to Air Transport.

The Government of New Zealand agrees that the said Agreement dated 16 August 1950 should be modified in the following way:

"1. The airline designated by the Government of Canada under the provisions of the Agreement dated 16 August 1950 between the Government of New Zealand and the Government of Canada relating to Air Transport may exercise, on the conditions specified below, the following privileges in addition to those conferred by Section 2 of the Annex to the said Agreement:

(a) In respect of the service from Vancouver to Auckland:

(i) the privilege to operate the service beyond Auckland to Sydney, the western terminal point in Australia;

(ii) the privilege to carry through Auckland international traffic in passengers, mail and cargo coming from Canada or points beyond, or coming from the territory of a third country on the route between Vancouver and Auckland, and destined for Sydney;

(b) In respect of the service from Auckland to Vancouver:

(i) the privilege to operate the service from Sydney as the starting point;

(ii) the privilege to carry through Auckland international traffic in passengers, mail and cargo coming from Australia and destined for Vancouver or points beyond, or destined for the territory of a third country on the route between Auckland and Vancouver.

2. The airline designated by the Government of Canada may not take on or discharge at Auckland international traffic in passengers, mail or cargo destined for or coming from Australia.

3. Passengers carried through Auckland in accordance with the provisions of paragraph 1 above shall not be entitled to stopover at Auckland (being an interruption of the journey at a point between the place of departure and the place of destination). Tickets for travel issued to such passengers by the designated airline shall exclude stopover rights at Auckland.

4. The airline designated by the Government of New Zealand may exercise, on the conditions specified above and in addition to the privileges conferred by Section 1 of the Annex to the said Agreement, the privileges conferred by the present modification on the airline designated by the Government of Canada.

5. It is understood that the application of the provisions of Sections 4, 5 and 7 of the Annex to the said Agreement to the return service described in Sections 1 and 2 of the said Annex shall not be affected by the provisions of the present modification."

If the Government of Canada is agreeable to the foregoing modification of the said Agreement of 16 August 1950, I suggest that this letter, and your reply in similar terms, should be regarded as placing on record the agreement of our two Governments.

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548. DEA/72-AHT-40

Le secrétaire d'État aux Affaires extérieures
au haut-commissaire en Nouvelle-Zélande

Secretary of State for External Affairs
to High Commissioner in New Zealand

TELEGRAM Air 10 Ottawa, August 26, 1952

CONFIDENTIAL

RIGHTS FOR CANADIAN PACIFIC AIR LINES AT AUCKLAND

Reference: Your letter No. 424 of August 7, 1952.

We can accept the New Zealand draft enclosed with your letter. Please proceed with the Exchange of Notes.

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549. DEA/72-AHT-40

Le haut-commissaire en Nouvelle-Zélande
au secrétaire d'État aux Affaires extérieures

High Commissioner in New Zealand
to Secretary of State for External Affairs

TELEGRAM 77 Wellington, September 30, 1952

CONFIDENTIAL

CANADIAN PACIFIC AIRLINES

Reference: Your telegram No. Air 10 of August 26th.

Exchange of notes completed without publicity September 29th. Copies follow by air.

SECTION C

PÉROU/PERU

550. DEA/72-AGM-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur au Pérou

Secretary of State for External Affairs
to Ambassador in Peru

DESPATCH No. E-59 Ottawa, March 21, 1952

BILATERAL AIR AGREEMENT WITH PERU

You will recall that at the time of Mr. H.O. Moran's visit to Lima early in January of this year, there was some discussion with the Peruvian authorities on the possibility of concluding a bilateral air agreement between Peru and Canada. This followed on a proposal by Canadian Pacific Airlines that they institute air services between Vancouver and Latin America on a route which would include Mexico City, Lima and Rio de Janeiro or Sao Paulo. We understand that the Peruvians gave some indication that they would be in favour of such an agreement.

2. I would be glad if you would now make a formal proposal that negotiations be commenced. Three copies of a draft agreement are enclosed,[†] two copies of which you should forward to the Peruvian authorities. Please ask them whether they are willing to accept this draft as a basis for negotiation, and let them know that we will be prepared to consider any changes they might like to see made in it.

3. Our draft follows a standard pattern which we like to adhere to in our bilateral air agreements. The actual rights to be exchanged will be listed in a schedule to the agreement and will be largely determined by the routes to be laid down in the schedule. You will note that the part of the schedule dealing with routes has been left blank.

4. If the Peruvians are willing to negotiate and can accept our draft as a basis, we will then take up with them the question of route designation. We have not yet definitely settled on what we will ask for, but you can let them know as a preliminary indication that we are primarily interested in a route from Vancouver to Lima via Mexico City and onward to Rio de Janeiro or Sao Paulo, or perhaps both. We will not require an intermediate stop in the United States. If Canadian Pacific Airlines are authorised to operate this route, services could probably begin in 1953.

5. We would be interested in knowing what rights the Peruvians are likely to ask for in return.

H.O. MORAN
for Secretary of State
for External Affairs

551. DEA/72-AGM-40

L'ambassadeur au Pérou
au secrétaire d'État aux Affaires extérieures

Ambassador in Peru
to Secretary of State for External Affairs

TELEGRAM 19 Lima, June 2, 1952

CIVIL AIR AGREEMENT

Following for Moran,[39] Begins: Minister of Civil Aviation told me verbally his Ministry sees no objection whatever to anything we ask for [in the] bilateral air agreement and that documents are ready for our signature as well as that of the Minister for External Affairs of Peru who will be advised accordingly.

Please advise if I am to sign for the Canadian Government. Have advised Main[40] and McGregor[41] who are here. Ends.

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552. DEA/72-AGM-40

L'ambassadeur au Pérou
au secrétaire d'État aux Affaires extérieures

Ambassador in Peru
to Secretary of State for External Affairs

DESPATCH No.136 Lima, June 7, 1952

AIR AGREEMENT WITH PERU

Reference: Our telegram No. 19 of June 2, 1952.

Two officials of the Canadian Pacific Airlines, Mr. H.B. Main, General Traffic Manager and Mr. F. Maurice McGregor, Director of Development, arrived in Lima on May 31 and were joined by Mr. W. Budd, Traffic Manager, on June 2. I met the two former gentlemen at the airport and in accordance with Mr. Moran's letter of May 12, arranged for them to discuss aviation matters with Peruvian officials and representatives of airlines and travel agencies operating here. On June 3, a meeting was held with the Minister of Aviation, H.E. Lt. Col. Mario Saona; the Director General of Civil Aviation, Major General Flores Silva; the Legal Advisor of the Directorate of Civil Aviation, Dr. Marchena Errol; and Mr. Gonzalo Pizarro, Director of the Political and Diplomatic Division of the Peruvian Foreign Office. I, as well as Mr. Dougan, attended this and subsequent meetings.

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[39] Note marginale :/Marginal note:
Arnold [Heeney]: [H.O.] Moran said action could await your return. A.E.L. C[annon] 5/6

[40] H.B. Main, gérant général du trafic aérien, Canadian Pacific Airlines.
H.B. Main, General Traffic Manager, Canadian Pacific Airlines.

[41] F.M. McGregor, directeur du développement, Canadian Pacific Airlines.
F.M. McGregor, Director of Development, Canadian Pacific Airlines.

2. The officials of C.P.A. explained to the Minister of Aviation the desire of C.P.A. to inaugurate an air service between Vancouver and Lima and onward to Rio de Janeiro as soon as possible. They mentioned that C.P.A. was not certain at this time whether the route would be via Mexico or Cuba as it wished to explore traffic possibilities in both countries before arriving at a definite decision. The Minister of Aviation, who gave us a most cordial reception, stated that pending the conclusion of a bilateral air agreement between Canada and Peru he thought it would be possible to grant C.P.A. without delay a temporary operating permit in order that it might survey traffic possibilities. Such a permit would initially be granted for a period of six months but could be renewed up to a maximum period of two years.

3. On June 4 a further meeting was held with the Director General of Civil Aviation at his office in which the procedures and requirements for obtaining a temporary operating permit were discussed. The Legal Advisor of the Directorate of Civil Aviation later provided the C.P.A. officials, through the Embassy, with a draft form which C.P.A. should follow in making application. I attach for your informaton a copy of this in Spanish with English translation.† Presumably if the Canadian Government authorizes C.P.A. to apply for a temporary license the latter will then deal directly with the Minister of Aviation. Before this is done, however, it will be necessary to officially advise the Peruvian authorities that C.P.A. has been designated by the Canadian Government as the Canadian airline authorized to request a temporary operating permit.

4. Further discussions were held on the afternoon of the same day, after a luncheon which I gave in honour of the C.P.A. officials. This luncheon was attended by the Director General of Civil Aviation and his Legal Advisor; the Chinese Ambassador to Peru, H.E. Dr. Pao (Nationalist); two high officials of the Peruvian Foreign Office, Mr. Pizarro, Director of the Political and Diplomatic Division and Dr. Letts Sanchez, Director of Organisations and International Conferences; Mr. C.J. Tippett, Director, South American Office, ICAO; Mr. E.A. Lough, Manager of the Lima Branch of the Royal Bank of Canada; Mr. Paul Lambright, Vice-President and General Superintendent of the International Petroleum Company; Mr. Folger Athern, Manager of Braniff Airlines in Peru; and Mr. Dougan, Second Secretary of the Embassy.

5. You will recall that in my note No. 32 addressed to the Minister of Foreign Affairs, forwarded to you under cover of my despatch No. 78 of April 3, I asked, as requested by you, whether the Peruvian Government was interested in negotiating a bilateral air agreement. In a note dated June 5, a copy of which with English translation is attached,† the Minister of Foreign Affairs states that he has been advised by the Minister of Aviation that his Department would be glad to begin conversations immediately toward the conclusion of such an agreement. You will note, however, that the Minister of Foreign Affairs suggests that negotiations should be initiated directly with the Peruvian Permanent Commission on International Conventions and Agreements on Aviation. With regard to this, I should be grateful if you would inform me if it is the intention of the Canadian Government to send an aviation

expert from Canada to conduct the negotiations or if I should approach the Commission in order to obtain the Peruvian proposals, if any, for transmittal to you for your consideration.

6. Apart from the reply of the Minister of Foreign Affairs, however, the Minister of Aviation had previously informed me orally of Peru's interest in concluding an agreement and also that he envisioned no difficulties from the Peruvian side in negotiating such an agreement. I was also assured that pending the signing of a bilateral agreement, the Peruvian Government would readily extend a temporary operating permit to C.P.A.

7. I understand that Mr. McGregor will be in Ottawa in the near future and will be calling upon Mr. Moran and also Mr. Baldwin of the Air Transport Board. Until I obtain specific instructions from you, therefore, I shall not enter into further official discussions concerning the granting of a temporary operating permit with the Peruvian authorities.

ÉMILE VAILLANCOURT

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553. DEA/72-AGM-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur au Pérou

Secretary of State for External Affairs
to Ambassador in Peru

DESPATCH NO. E-116 Ottawa, June 14, 1952

AIR AGREEMENT WITH PERU

Reference: Your Despatch No. 136 of June 7th, 1952.

Your Despatch No. 136 has been read with interest here and we were pleased to see that the Peruvian authorities are willing to begin negotiations, apparently on the basis of the draft agreement we presented to them.

2. The Air Transport Board has not contemplated sending an expert to Lima to assist you with these negotiations, though I am sure they would be willing to consider doing so if this should appear necessary at a later stage. In the meantime, we would be grateful if you would carry the question forward with the Peruvian authorities.

3. There are two steps which you might now take. The first is to obtain definite approval from the Peruvian authorities for the text of our draft agreement or, alternatively, to obtain their proposals for its amendment. We would, of course, prefer that they accept our draft without major amendment because it follows a pattern which has been developed over a period of years and which, in our view, meets most satisfactorily the requirements of a bilateral air agreement of the type we propose. However, we will certainly be willing to consider any amendments the Peruvians may wish to put forward.

4. The second step is to submit to the Peruvian authorities a draft for Section II of the schedule to the agreement describing the route to be operated by the Canadian airline. As you know, there are two questions about this route still to

be decided on our side. We do not yet know whether CPAL will wish to operate to Lima via Mexico City or via Havana, and whether they will wish to terminate at Sao Paulo or Rio de Janeiro. However, if the Peruvians agree, Section II could be written to cover all the alternatives as follows:

"Routes to be operated in both directions by designated airline or airlines of Canada

Point of Departure	Intermediate Points (any one or more of the following if desired)	Destination in Peru	Points Beyond (Any one or more of the following if desired
Vancouver	Mexico City and/or other points which may be agreed by the two contracting parties	Lima	Rio de Janeiro, Sao Paulo and/or other points which may be agreed by the two contracting parties."

5. As for Section I of the schedule which lays down the Peruvian route, we would be glad to see an equivalent route entered in reverse or if the Peruvians do not see their way clear to entering this field at the present but still wish that some reference to a Peruvian route be included, Section I might take the following form:

"Routes to be operated in both directions by the designated airline or airlines of the Government of Peru

Point of Departure	Intermediate Points (any one or more of the following if desired)	Destination in Canadian Territory	Points Beyond (Any one or more of the following if desired)
Lima	Points which may be agreed by the two contracting parties	Vancouver or other points which may be agreed by the two contracting parties	Points which may be agreed by the two contracting parties."

6. We will try to let you know in due course whether any action is required concerning a temporary permit for CPAL. In the meantime, we will be glad to learn what progress you are able to make towards the conclusion of the agreement.

H.O. MORAN
for Secretary of State
for External Affairs

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554. DEA/72-AGM-40

L'ambassadeur au Pérou
au secrétaire d'État aux Affaires extérieures

Ambassador in Peru
to Secretary of State for External Affairs

DESPATCH No. 192 Lima, August 22, 1952

AIR AGREEMENT WITH PERU

Reference: Your Despatch No. E-116 of June 14, 1952.

On August 20 the Peruvian Directorate of Civil Aviation unofficially gave us a copy of their draft proposals for a bilateral air agreement with Canada. This draft has yet to be submitted for the consideration of the Legal Counsel of the Peruvian Department of External Affairs, who, along with the Director of Civil Aviation and the Legal Counsel of that Directorate, is a member of the Peruvian Permanent Commission on International Conventions and Agreements on Aviation. Dr. Marchena, the Legal Counsel of the Directorate, informed us that the Directorate would welcome our comments concerning their proposals at our earliest convenience, if possible before the draft is considered on the ministerial level.

2. The form of the Peruvian draft follows exactly the Canadian draft agreement submitted for their consideration. In substance it incorporates only a few counter-proposals. Their draft, which is in Spanish, has been checked closely against the Canadian draft agreement and, in order to save time, only the sections where the Canadian text has been amended, have been translated. You will find the text of the appropriate sections, with English translations, attached.†

3. I also attach a translation of the proposed route schedules drawn up by the Directorate.† Section I, governing the route to be operated by the designated airline of the Government of Canada, follows substantially the form of route designation that we requested. The only variation has been that, with respect to the intermediate points, Havana has been listed by name as an alternate to Mexico City. This does not conform exactly with the route designation suggested in paragraph 4 of your Despatch No. E-116 of June 14.

4. Section II of the schedule lists the route to be followed by the designated airline of Peru. The form of route designation outlined in your despatch mentioned above had been suggested, but apparently it is the Peruvian wish that specific points be included in the agreement. Concerning this the Legal Counsel of the Directorate informed us that Peru had an air agreement with the United States to operate an airline to Washington, D.C. and New York City, points which, you will note, are listed in their proposed schedule.

5. I should be grateful to receive your comments regarding the Peruvian draft proposals and the schedule of route designations at your earliest convenience, in order that I may inform the Directorate of Civil Aviation as to their acceptability.

ÉMILE VAILLANCOURT

555. DEA/72-AGM-40

L'ambassadeur au Pérou
au secrétaire d'État aux Affaires extérieures

Ambassador in Peru
to Secretary of State for External Affairs

TELEGRAM 22 Lima, September 5, 1952

BILATERAL AIR AGREEMENT WITH PERU

Reference: Our Despatch No. 192 of August 22nd.

Director General of Civil Aviation pressing for reply to Peruvian proposal listed in above mentioned despatch. Should appreciate your comments regarding these at the earliest convenience.

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556. DEA/72-AGM-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur au Pérou

Secretary of State for External Affairs
to Ambassador in Peru

TELEGRAM Air 2 Ottawa, September 10, 1952

CONFIDENTIAL

AIR AGREEMENT WITH PERU

Reference: Your telegram No. 22 of September 5, 1952.

1. The Peruvian changes in our draft bi-lateral are under study and we hope to let you have our comments at an early date. The Peruvian proposal relating to route descriptions in schedule also requires further discussion and this question might be taken up with the Peruvian authorities immediately.

2. The Peruvian request for a route to Montreal in return for a Canadian route from Vancouver raises an issue of some difficulty for us. It means that in order to obtain a route for Canadian Pacific Air Lines we must give Peru a route which enters directly into the area normally served by TCA since any southbound routes out of Montreal or Toronto to Latin America would fall within the area marked out for TCA by government policy. We had hoped that the Peruvian authorities would be interested in a reciprocal route to Vancouver as a direct offset to a Canadian route from Vancouver. If, however, the Peruvian authorities insist that they must have a route to Montreal in exchange for a route from Vancouver the matter will have to be referred for Ministerial consideration here.

3. In the circumstances if Peru is insistent on a Montreal route, it is desirable to ascertain whether the Peruvian authorities would agree to inclusion in the schedule of a similar Canadian route from Montreal or Toronto to Peru as well as the Vancouver route. We would, of course, be quite prepared in this case to

add the Vancouver route for Peru as well. This would preserve a balance as between TCA and CPAL interests even though, for equipment and other reasons, TCA would be unlikely to operate an eastern route, at least for a considerable time.

4. In addition, we note the Peruvian desire to designate intermediate points in the United States in their route. We omitted the mention of intermediate U.S. points in the Canadian route so as to avoid raising complications in the matter of 5th Freedom rights in United States for either country and we strongly prefer our formula by which the idea of intermediate points may be recognized but the points left for specific designation by mutual agreement when the route is to be operated. You should ascertain whether Peru insists on specific designation of these intermediate points, particularly in the United States. If they do, we will have to reconsider the description of our own route or routes with a view to possible designation of intermediate U.S. points as well.

5. Please consult the Peruvian authorities with regard to these questions and inform us of their views so that the matter may be submitted for government decision here.

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557. DEA/72-AGM-40

Le chargé d'affaires au Pérou au secrétaire d'État aux Affaires extérieures

Chargé d'Affaires in Peru to Secretary of State for External Affairs

DESPATCH No. 225 Lima, October 2, 1952

CONFIDENTIAL

BILATERAL AIR AGREEMENT WITH PERU

Reference: Your Airletter No. 2 of September 10, 1952.

On September 26, at the Ambassador's request, I called upon Major-General Carlos Washburn Salas, who recently replaced Major-General Flores Silva as Director-General of Civil Aviation. General Washburn, previous to his new appointment, was Chief of Staff of the Peruvian Air Force.

2. I explained to him the difficulties raised by the proposed Peruvian route designation and emphasized it had been our hope that Peru would be interested in a reciprocal route to Vancouver, or alternately, would agree to leave the question of their route designation open for future settlement after the conclusion of the agreement, along the lines of the proposals contained in paragraph 5 of your Despatch No. E-116 of June 14.

3. General Washburn, although he obviously was not familiar with all aspects of the negotiations to date, seemed to be genuinely interested in these proposals. He expressed the opinion that, in his view, it would be very difficult for a Peruvian airline to compete successfully with already-established airlines on the Eastern route — Lima, via intermediate points to New York and beyond to Montreal. I was left with the impression that he might be prepared

to recommend reconsideration of the route previously proposed by Peru. He stated, however, that he was not able to give a definite answer until he had had an opportunity to discuss the question with Dr. Marchena, the Legal Counsel of the Directorate, who is presently on vacation and is not expected back until about October 15.

J.A. DOUGAN

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558. DEA/72-AGM-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur au Pérou

Secretary of State for External Affairs
to Ambassador in Peru

DESPATCH No. E-192 Ottawa, October 17, 1952

AIR AGREEMENT WITH PERU

Reference: Our Air No. 2, September 10, 1952.

1. Cabinet has approved the designation of Canadian Pacific Airlines to operate commercial air services between Vancouver and points in Mexico, Peru and Brazil. An Order-in-Council PC.4245 of October 9, 1952, has been passed authorizing the issue of a licence to CPAL to operate these services.

2. In paragraph 3 of your despatch No. 136 of June 7, you said that before CPAL applies to the Peruvian Government for temporary permit to operate to Lima, we should officially notify the Peruvian Government of the Canadian designation of CPAL. We understand that CPAL have now instructed their solicitor in Lima to make application for the temporary permit. If necessary, you may pass the information contained in the foregoing paragraph to the Peruvian authorities.

A.E. RITCHIE
for Secretary of State
for External Affairs

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559. DEA/72-AGM-40

L'ambassadeur au Pérou
au secrétaire d'État aux Affaires extérieures

Ambassador in Peru
to Secretary of State for External Affairs

DESPATCH No. 259 Lima, November 13, 1952

BILATERAL AIR AGREEMENT WITH PERU

Reference: Our Despatch No. 225 of October 2, 1952.

On October 30, 1952, I wrote to the Director-General of Civil Aviation, Major-General Carlos Washburn Salas, summarizing the main points which we had advanced in conversations with him and his legal adviser, concerning

Peruvian route designation. Copies of this letter were sent to the Ministers of Aviation and Foreign Affairs.

2. In a reply dated November 10, 1952, an English translation of which is attached,† the Director-General implied that Peru is prepared to either request a reciprocal route to Vancouver, or to leave the question of Peruvian route designation open for future agreement. The matter is now before the Peruvian Permanent Commission on Conventions, which should reach a decision at their next meeting on Friday, the fourteenth of this month.

3. This is a definite step forward and I hope that it will be possible to conclude the Air Agreement in the near future. Once the question of route designation is settled, I assume that you will then be in a position to let me have your comments concerning the Peruvian changes in the text of our Draft Bilateral. I think it is very important that we present our counter proposals, if any, as soon as possible, so that no opportunity is provided for the negotiations to lag.

4. When I am informed of the decision of the Permanent Commission on Conventions, I shall let you know immediately by cable.

ÉMILE VAILLANCOURT

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560. DEA/72-AGM-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur au Pérou

Secretary of State for External Affairs
to Ambassador in Peru

DESPATCH No. E-217 Lima, December 2, 1952

BILATERAL AIR AGREEMENT WITH PERU

Reference: Your despatch No. 259 of November 13, 1952.

1. In our air telegram No. 2 of September 10, 1952, we promised to let you have as soon as possible our comments on the Peruvian amendments to the text of our draft Agreement. The Air Transport Board have now completed their study of the proposed amendments. For your information and use I quote their comments in full. You will note that they are prepared to accept the Peruvian amendments to two out of the four articles affected. As for the other two, they recognize that the Peruvian authorities have reasonable grounds for seeking amendments and while not able to accept the proposals in full, they have provided redrafts which will clarify the Canadian intentions and which they hope will meet the Peruvian views.

"1. Article II (1) as amended (the Peruvian insertion being underlined) reads as follows:

> (1) Each contracting party grants to the other contracting party the rights specified in this Agreement for the purpose of establishing the *commercial international* air services to be operated by virtue of the said Agreement on the routes specified in the appropriate section of the

Schedule thereto (hereinafter called the 'agreed services' and 'the specified routes').

Note: There is no objection to the Peruvian amendment.

"2. Article II (2)

The Canadian text reads as follows:

(2) Subject to the provisions of this Agreement, the airlines designated by each contracting party shall enjoy, while operating an agreed service on a specified route, the following privileges:

(a) to fly without landing across the territory of the other contracting party;

(b) to make stops in the said territory for non-traffic purposes; and

(c) to make stops in the said territory at the points specified for that route in the Schedule to this Agreement for the purpose of putting down and taking on international traffic in persons, goods and mails coming from or destined for other points so specified.

"The Peruvian text reads as follows:

"(2) Subject to the provisions of this Agreement, the airlines designated by each contracting party shall enjoy, while operating an agreed service on a specified route, the following privileges:

(a) to fly without landing across the territory of the other contracting party only in the case that while making a flight to the said territory landing was not possible.

(b) to make stops in the said territory at the points specified for that route in the Schedule to this Agreement for the purpose of putting down and taking on international traffic in persons, goods and mails coming from or destined for other points so specified.

"Note

"Reconsideration of Article II(2) leads to the conclusion that the Canadian text is defective, should be redrafted and a new text of the Article submitted to Peru.

"(a) and (b) of the Canadian text are, as written, merely statements of Freedoms 1 and 2 as set out in the International Air Services Transit Agreement to which both Peru and Canada are parties. Restatement of the Freedoms in the bilateral agreement is unnecessary and redundant. Taken out of the context of the International Air Services Transit Agreement they are likely to create confusion.

"Read in conjunction with the opening paragraph of the Article, the intention of (a) is certainly not clear because it is difficult to see how 'while operating an agreed service on a specified route' an airline can fly over the territory without landing. The Peruvian amendment, therefore, appears to be well merited but it does not provide for the case of over-flight when no traffic offers.

"As for sub-article (b), once again there is an apparent inconsistency with the opening paragraph of the Article and in the Board's view this paragraph should be re-drafted to convey our real meaning. What we want is the right to carry without the exercise of traffic rights, traffic to and from third countries beyond, on flights operating on the agreed services. The Board's present opinion is that the text of the Canadian draft does not achieve the purpose desired. It is suggested, therefore, the text be re-drafted as follows:

> (2) Subject to the provisions of this Agreement, the Airlines designated by each contracting party shall enjoy, while operating an agreed service on a specified route, the following privileges:
>
> > (a) to fly without landing across the territory of the other contracting party only in cases where, while making a flight to the said territory landing is not possible or where there is no traffic to be set down or taken up; and
> >
> > (b) to make stops in the said territory at the points specified for that route in the Schedule to this Agreement for the purpose of putting down and taking on international traffic in persons, goods and mails coming from or destined for other points so specified.
> >
> > (c) On any flight which makes a stop at any of the said specified points, to carry into and out of the said territory on the same flight, international traffic not originating in or destined for a point in the said territory.

"3. Article III (1), (2) and (3)

The Canadian text reads as follows:

(1) Each contracting party shall have the right to designate in writing to the other contracting party one or more airlines for the purpose of operating the agreed services on the specified routes.

(2) Each contracting party shall have the right by written notification to the other contracting party to withdraw the designation of an airline and to substitute the designation of another airline.

(3) On receipt of the designation, the other contracting party shall, subject to the provisions of paragraph (4) and (5) of this Article, without delay, grant to the airline or airlines designated, the appropriate operating authorization.

The Peruvian text reads as follows:

(1) Each contracting party shall have the right to designate in writing to the other contracting party one airline of its nationality that shall enjoy in the territory of the other contracting party the right of operating the agreed services on the routes established in this Agreement which are specified in the attached Schedule.

(2) Each contracting party shall have the right by written notification to the other contracting party to withdraw the designation of an airline and to substitute the designation of another airline of its nationality.

(3) On receipt of the designation of one airline of one contracting party, the other contracting party shall, subject to the provisions of paragraph (4) and (5)

of this Article, without delay grant to the airline designated the appropriate operating authorization.

"Note

The change in (1) made by Peru limits the operation to one airline of each contracting party instead of permitting one or more airlines as provided in the Canadian text. This is not acceptable to us because of the necessity of providing for an entry by T.C.A. as well as C.P.A.L. We could, however, probably agree to one designated airline for each specified route, provided we are not required to designate one airline to operate all routes allotted to Canada, and the wording we have suggested below is designed to express this viewpoint.

"The use of the words 'of its nationality' suggested by Peru is also not acceptable. Article III (5) makes such a qualifying phrase unnecessary and the words themselves are open to the objection that they require definition. The phrase is also used in the Peruvian amendment to (2) and is objected to on the same grounds.

"The change by Peru of (3) is acceptable if our further amendment of (1) is satisfactory to Peru, subject to substitution of the words 'an airline' for the Peruvian words 'one airline' in the first line.

"It is suggested that Article III (2) remain as it appears in the Canadian text and that (1) and (3) be re-drafted as follows:

(1) Each contracting party, with respect to each route established in this Agreement which is specified in the Schedule thereto for operation by an airline of such contracting party, shall have the right to designate in writing to the other contracting party, one airline for the purpose of operating the agreed service on the said route.

(3) On receipt of the designation of an airline of one contracting party the other contracting party shall, subject to the provisions of paragraphs (4) and (5) of this Article, without delay, grant to the airline designated the appropriate operating authorization.

"4. Article XIII

"The Canadian text reads as follows:

"This Agreement and any Exchange of Notes in accordance with Article XI shall be registered by the Government of Canada with the International Civil Aviation Organization.

"The Peruvian text reads as follows:

"This Agreement and any Exchange of Notes in accordance with Article XI shall be registered by the Governments of Canada and Peru with the International Civil Aviation Organization.

"Note

There is no objection to the Peruvian amendment."

A.E. RITCHIE
for Secretary of State
for External Affairs

561. DEA/72-AGM-40

L'ambassadeur au Pérou
au secrétaire d'État aux Affaires extérieures

Ambassador in Peru
to Secretary of State for External Affairs

DESPATCH No. 283 Lima, December 29, 1952

BILATERAL AIR AGREEMENT WITH PERU

Reference: Your despatch No. E-217 of December 2, 1952.

I enclose a copy of a letter, with translation, from the Director General of Civil Aviation of Peru, concerning the route designation proposed by Peru for inclusion in the draft bilateral air agreement.†

2. You will note that although Peru requests a reciprocal route from Lima to Vancouver, it also wishes to make formal provision in the agreement for a second route from Lima to Montreal or Toronto. This latter route would be available to both Peru and Canada and the intermediate points would be determined by future agreement when either of the participating countries desires to commence operations on the route.

3. As I mentioned in my despatch No. 192 of August 22, 1952, Peru has an air agreement with the United States to operate an airline to Washington, D.C. and New York City. It is anxious to make provision, in the bilateral air agreement with Canada, therefore, for the extension of the route to Montreal or to Toronto. The actual operation of such a route, however, is still a matter of future speculation. As you know, Peru does not possess an international airline at the present time, nor, from the information which we have been able to gather, does it appear that there is any possibility in the near future of the formation of a Peruvian international airline which would meet the requirements outlined in Article III (5) of the draft agreement.

4. The comments and amendments contained in your despatch No. E-217 of December 2, 1952, concerning the text of the proposed agreement, have been discussed with Dr. Marchena, the Legal Counsel of the Directorate of Civil Aviation. He thought that all of the proposals of the Air Transport Board would be acceptable to Peru with the possible exception of paragraph (a) of Article II (2). He was doubtful whether CORPAC, the Peruvian Government

agency responsible for the operation of Lima's principal airport, Limatambo, would agree to a Canadian aircraft on a scheduled flight not landing in the event that "there is no traffic to be set down or taken up." Presumably, the question is one of the collection of landing and other fees. The Peruvian acceptance of the other changes proposed by the Air Transport Board in the text of the agreement, however, should not be considered as final until we have received written confirmation.

5. I should be grateful to receive your comments concerning the proposed Peruvian route designations at your earliest convenience, as the Directorate of Civil Aviation is anxious to obtain our comments as to their acceptance as soon as possible.

ÉMILE VAILLANCOURT

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562. DEA/72-AGM-40

L'ambassadeur au Pérou
au secrétaire d'État aux Affaires extérieures

Ambassador in Peru
to Secretary of State for External Affairs

TELEGRAM 4 Lima, January 27, 1953

AIR AGREEMENT WITH PERU

Interim flight permit Canadian Pacific Air Lines signed yesterday by the President of the Republic.

CHAPITRE VII/CHAPTER VII

RELATIONS AVEC LE COMMONWEALTH
COMMONWEALTH RELATIONS

PREMIÈRE PARTIE/PART 1

CONSULTATION

563. DEA/50121-B-40

Note du haut-commissariat du Royaume-Uni

Memorandum by High Commission of United Kingdom

TOP SECRET Ottawa, December 31, 1951

COMMONWEALTH CONSULTATION

In connection with the Korea armistice talks, a very confidential approach was made to the United Kingdom Government by the United States Government, who asked that the discussions should be kept on a strictly bilateral basis. The United Kingdom Government, while naturally very much welcoming this approach, were anxious for their part that other Commonwealth Governments outside Asia should have knowledge of it. The question thus arose of how to reconcile the United States request for strictly bilateral consultation with the United Kingdom desire to keep in touch with other Commonwealth Governments on the issues involved. At first it was feared that some difficulty might be encountered on this score, but fortunately our position was readily understood by the United States and the issue was happily resolved through the United States entering into direct consultation with Canada, Australia, New Zealand and South Africa, as well as with ourselves.

2. Nevertheless, it must be expected that the same kind of situation will arise over other matters from time to time in the future. Some thought has been given by the United Kingdom Government to the considerations which should determine our procedure in such circumstances, and it is felt that it would be most helpful to exchange views now, in advance of the event, on the best method of handling any problem of this kind which may arise. An analysis of the considerations involved is contained in the annexure to this memorandum, and the United Kingdom Government would very much appreciate any comments on the suggestions put forward.

[ANNEXE/ANNEX]

TOP SECRET Ottawa, December 31, 1951

1. It is the aim of the United Kingdom Government both

(a) to carry out our long established practice for the exchange of information and views with other Commonwealth Governments, and

(b) to encourage the United States to take us fully into their confidence.

2. It is hardly necessary to repeat that the United Kingdom Government attach the highest importance to consultation with other Commonwealth Governments and intend to carry out their obligations to other Commonwealth Governments to keep them fully and currently informed of developments on all major issues.

3. There can also be no question about the great importance of encouraging the United States to consult with us on all major issues fully and while their ideas are taking shape. All Commonwealth Governments wish to see the development of the greatest possible measure of mutual confidence between members of the Commonwealth and the United States, and it must be a first objective to do everything possible to build it up. In Korea, as we all know, one of the greatest dangers has always been that of the United States taking the bit between their teeth and going ahead without consulting any of their allies on steps which may have consequences affecting us all.

4. These two objectives — consultation with other members of the Commonwealth and consultation with the United States — are not incompatible, but it would be wrong to disguise from ourselves that difficulties will arise on occasions. In asking for a purely bilateral exchange of views with the United Kingdom on the issue of a warning following an armistice in Korea, the United States were, we believe, actuated to a large extent by the consideration that in this and in other similar cases they could be seriously embarrassed if their preliminary consultation with the United Kingdom led directly to approaches being made to them at that early stage by representatives of other members of the Commonwealth. The United States have, of course, their own obligations in respect of other foreign countries (e.g., in relation to Korea they have special obligations towards all countries with forces in Korea), and it is understandable that they may feel themselves in a difficulty in opening the door to consultations with five Commonwealth Governments while refraining from saying anything to foreign countries such as France.

5. We must avoid a position in which the United States might seek to impose an embargo on our conveying information to other Commonwealth Governments or else withdraw their confidence from ourselves. At present there are welcome signs that the United States are anxious to exchange views with us very fully at an early stage in their thinking. It is felt that other Commonwealth Governments will agree that in the common cause it is most desirable to encourage this and that everything possible should therefore be done to meet United States difficulties and susceptibilities.

6. The problem would be greatly eased if, when particularly delicate issues are under preliminary discussion between ourselves and the United States (of which we shall certainly wish to keep other Commonwealth Governments informed), other Commonwealth Governments could refrain from initiating direct enquiries or discussion on those particular issues with the United States in the early stages. This is a position which the United Kingdom Government are very ready to accept for their part — namely that, if another Commonwealth Government is in preliminary discussion direct with the United States, the United Kingdom Government, while kept informed, would themselves refrain from opening up discussion on the subject with the United States until they had received an indication from either the United States or the other Commonwealth Government concerned that the way was clear for such an extension of the discussion.

7. In any bilateral discussions between the United States and ourselves we would of course always be prepared, if so requested, to pass on to the United States any views which another Commonwealth Government might wish to offer. But normally, no doubt, other Commonwealth Governments would prefer to make their views known to the United States direct. The problem is one of timing — as was exemplified in connection with the recent telegrams on Korea. What is essential is that other Commonwealth Governments should be brought into direct consultation by the United States in such a way and at such a stage in the discussions as to enable their views to be considered in time to affect the final outcome. We would wish to help to secure this whenever the United States comes to us first on a bilateral basis.

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564. DEA/50121-B-40

Note

Memorandum

TOP SECRET [Ottawa,] January 15, 1952

COMMONWEALTH CONSULTATION

The Canadian Government attach the highest importance to the continuation of the present practice of exchange of information and consultation between Commonwealth governments. The Canadian Government also attach great importance to the exchange of information and consultation between Commonwealth governments and the Government of the United States. In these respects, the Canadian Government share the views stated in the United Kingdom Government's memorandum of December 31, 1951.

2. The Canadian Government are fully in accord with the United Kingdom Government in wishing to see development of the greatest possible measure of mutual confidence between members of the Commonwealth and the United States; they agree upon the importance of encouraging the United States Government to consult with Commonwealth governments at an early stage on major issues. For this reason, the Canadian Government welcomed the recent

exchanges between London and Washington concerning the Korean armistice negotiations.

3. The Canadian Government are conscious of the difficulty referred to in the United Kingdom Government's memorandum in relation to discussions between a Commonwealth government and the Government of the United States. For their part, the Canadian Government are anxious, too, to avoid situations in which the United States Government will arrive at decisions of importance to Commonwealth governments without adequate prior consultation. The Canadian Government are also aware of the risk of the United States arriving at agreement in such matters following prior consultation with one Commonwealth government and the subsequent use of such agreement to secure the support of other governments of the Commonwealth.

4. There may be times when, particularly delicate issues being under preliminary discussion between one member of the Commonwealth and the United States, an attempt to include other countries from the beginning would be seriously embarrassing. The Canadian Government realize that, in such a situation, an effort to extend the discussions might lead the United States Government to take a less forthcoming attitude on consultation; this would have unfortunate effects for all Commonwealth governments.

5. These difficulties of consultation are also present in any normal alliance. The Canadian Government are doubtful whether it is feasible or indeed desirable to attempt to reduce to a precise formula the rules which should govern the behaviour of Commonwealth governments in such matters. Certainly, it would not be desirable or indeed possible for Commonwealth governments to tie their hands in such a way that they would be precluded from raising with the United States Government, at any time, any issue in which they had an important interest.

6. The Canadian Government are, however, prepared, now as in the past, to treat with entire confidence information received from any other Commonwealth government and, when specifically requested so to do, to refrain from using such information or mentioning that it had been received in discussions with the Government of the United States. Naturally, any Commonwealth government having bilateral discussions with the Government of the United States would bear in mind the interests of other members of the Commonwealth and encourage the United States Government to consult other Commonwealth governments at an early stage on issues which concern them.

2ᵉ partie/Part 2

RELATIONS ÉCONOMIQUES
ECONOMIC RELATIONS

SECTION A

RÉUNION DES MINISTRES DES FINANCES DU COMMONWEALTH, LONDRES, 15-21 JANVIER 1952
MEETING OF COMMONWEALTH FINANCE MINISTERS, LONDON, JANUARY 15-21, 1952

565. DEA/8508-40

Extrait du procés-verbal de la réunion des chefs de direction

Extract from Minutes of Meeting of Heads of Division

RESTRICTED Ottawa, January 2, 1952

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COMMONWEALTH

Commonwealth Finance Ministers' Meeting

10. *Miss Meagher.*[1] A meeting of Commonwealth Finance Ministers is to be held in London beginning on January 15th. Mr. Abbott will attend and will be accompanied by:

Mr. Deutsch and Mr. [Douglas] Fullerton (Department of Finance)
Mr. [W.F.] Bull (Deputy Minister of Trade and Commerce)
Mr. [L.D.] Wilgress and Mr. [A.E.] Ritchie (Canada House)

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566. DEA/8508-40

Extrait du procès-verbal de la réunion des chefs de direction

Extract from Minutes of Meeting of Heads of Division

SECRET Ottawa, January 14, 1952

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THE COMMONWEALTH

Commonwealth Finance Ministers' Meeting

7. *Mr. Plumptre.* Commonwealth finance officials have now completed their preliminary discussions and have prepared a report for Ministers. This report notes that if the loss of gold reserves continues at the rate implied by the

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[1] B. Margaret Meagher, Direction économique, ministère des Affaires extérieures.
B. Margaret Meagher, Economic Division, Department of External Affairs.

forecasts received, the reserves might be reduced to around $1,540 million by the end of June — a level equivalent to financial catastrophe. It recognizes that the root cause of the Sterling Area's difficulties has been that since the war nearly all members have been making greater demands for goods and services than could be met from their resources and borrowing. The report notes that anti-inflationary domestic policies are of vital importance in dealing with the balance of payments problem and that the measures so far announced are insufficient. However, apart from the United Kingdom, each of the official representatives has explained how difficult it would be for his particular country to go further than it had already gone. Ministers may be prepared to go further. The report suggests that further emergency import restrictions may be necessary, but recognizes that this type of action can only be a palliative. The long-term aim should be the convertibility of sterling and this would require that the Sterling Area achieve a surplus with the rest of the world and so build up its central reserves. Even with a considerable improvement in the reserve level, it is stated that the eventual move to convertibility would require the co-operation and assistance of the United States and Canada. The report notes that the communique to be issued at the end of the ministers' conference will be of major importance in its effect on confidence in sterling and that it should, therefore, set forth a defined and positive course of action and policy for the Sterling Area.

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567. DEA/8508-40

Extrait du procès-verbal de la réunion des chefs de direction

Extract from Minutes of Meeting of Heads of Division

SECRET Ottawa, January 21, 1952

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THE COMMONWEALTH

Commonwealth Finance Ministers

8. *Mr. Plumptre.* The lead in the Ministerial meetings has been taken by the Chancellor of the Exchequer who has proposed a programme of immediate measures to halt the drain on the sterling area central reserves by the middle of the year. He has suggested that the Sterling Area must attain a payments balance with the rest of the world during the second half of the year and must move into surplus in the first six months of 1953. To bring about a balance in Sterling Area accounts in the last six months of 1952, he has proposed specific payments objectives for each of the Sterling Area countries and that these should be attained by one or other, or a combination, of import cuts, increased exports, tighter fiscal and monetary policies or borrowing from outside the Sterling Area. The other Sterling Area Finance Ministers have all agreed on the need to meet Mr. Butler's targets in the aggregate, but with certain reservations in individual cases. It seems likely that the objectives for the different countries will not be definitely accepted at the present meeting but

will constitute recommendations of the conference which the Ministers will do their best to have their governments carry out. On the longer term problem the Australian Finance Minister has been trying to obtain agreement on a definite time-phased programme for the attainment of convertibility. While there seems to be little disagreement with this ultimate objective, there are considerable differences of view about how and when the move to convertibility should be made. This and the question of the speeding up of the development of Commonwealth sources of food and raw materials are to be discussed by a post-conference working party. The statement to be issued at the end of the conference will, however, contain a reaffirmation of the objective of convertibility. It is expected that the statement will be approved at a final meeting to be held today.

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568. DEA/8508-40

Extrait du procès-verbal de la réunion des chefs de direction
Extract from Minutes of Meeting of Heads of Division

CONFIDENTIAL Ottawa, January 28, 1952

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Commonwealth Finance Ministers

10. *Miss Meagher.* The Commonwealth Finance Ministers concluded their deliberations on January 21st. Their communique faithfully represents the tone and accomplishments of the meeting.[2] It remains to be seen to what extent Sterling Area Governments will prove willing to take the measures which have been recommended to overcome the Sterling Area's economic and financial difficulties. So far as the long-term is concerned, two working parties have been established. The first, under the chairmanship of Sir Arthur Salter, is to report on the conditions which must be created before sterling can become convertible and to suggest what successive steps should be taken to create these conditions. The second is to examine the opportunities for increasing the productive power of the Sterling Area, paying particular attention to the possibilities of higher production of food, raw material and other essential goods. In this connection special consideration is to be given to the capital equipment needs of Sterling Area countries.

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[2] On trouvera le texte dans *The Times* de Londres, 22 janvier 1952.
For text see *The Times* (London), January 22, 1952.

569. DEA/50112-40

Le sous-secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis

Under-Secretary of State for External Affairs
to Ambassador in United States

LETTER No. E-407 Ottawa, February 21, 1952

SECRET

UNITED KINGDOM AND STERLING AREA ECONOMIC POSITION

We have repeated to you the various telegrams received from our delegation to the recent meeting of Commonwealth Finance Ministers and are sending you copies of the more important documents of the meeting and of the Working Parties set up on convertibility and on development. In addition, I think you will be interested to hear something of subsequent discussions here between members of our Economic Division and other officials regarding the long-term prospects of the Sterling Area and the possibility of an eventual move to, or substantially towards, convertibility.

2. Mr. Deutsch apparently concludes from his discussions and observations overseas that it is a question whether the United Kingdom will pull through 1952 without another and more severe crisis. The delay in tackling the present crisis, occasioned by the election and the time taken for new ministers to come to grips with their responsibilities, was unfortunate and resulted in the emergency being tackled several months later than it should have been and with the reserves many hundreds of millions of dollars lower than might otherwise have been the case. The resultant tightness of the situation naturally has made remedial action more difficult. Given the measures which the United Kingdom has already announced and the recommendations made to Sterling Area Governments, it seems that the action which the United Kingdom Government takes through the Budget, which is to be brought down in March, will be crucial. There is some possibility that the "right" budget might restore confidence in sterling sufficiently to allow other measures to exercise their effect and eventually reverse the trend of reserves which is still steeply downwards.

3. You will be aware that the discussions, both in the meeting of Finance Ministers and subsequently in the working party, chaired by Sir Arthur Salter,[3] revealed fairly considerable differences, between Australia and Ceylon on the one hand and the United Kingdom on the other, about the preconditions and timing of any major step towards convertibility. Mr. Deutsch has told us that the more conservative attitude of United Kingdom spokesmen arises from a variety of factors in addition to the more cautious approach which one would expect from the guardian of the Area's reserves. There are, apparently,

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[3] Sir Arthur Salter, ministre d'État des Affaires économiques du Royaume-Uni.
Sir Arthur Salter, Minister of State for Economic Affairs of United Kingdom.

differing opinions amongst United Kingdom ministers and officials about the long-term objectives and their attitude is conditioned by the desire for more time in which to form a firm view about the direction in which the Sterling Area should move once the immediate crisis is overcome. Apparently some of the more responsible officials, including Sir Leslie Rowan,[4] believe that the United Kingdom should take stringent measures to meet the immediate crisis, but that no definite commitments should be made regarding long-term objectives, particularly regarding the time at which these objectives should be achieved. Others are, at the moment, in favour of the immediate announcement of long-term objectives such as convertibility (perhaps forgetful of the experience of 1947). Still others believe in the desirability of building up a self-sufficient Sterling Area and the abandonment of any attempt at convertibility and non-discrimination.

4. The Australian attitude is that convertibility cannot wait on the achievement of all the desirable pre-conditions such as a high reserve level, a continuing Sterling Area surplus with the rest of the world and a rough payments balance between the United States and all other countries; indeed, that the attainment of such pre-conditions is most unlikely while sterling remains inconvertible. Very briefly, the Australian view is that convertibility should be introduced at the earliest possible moment after the present trend is reversed and that convertibility could be maintained without discriminatory import restrictions through the adoption of sufficiently strict and realistic monetary and fiscal policies by the members of the Sterling Area.

5. These views have been put forward very strongly by the able Australian spokesman in the Convertibility Working Party, Mr. E.G. Melville. It is not clear, however, that the Australian Government would be prepared, in the event, to go as far as he proposes, since the deflationary policies which he advocates would clearly be unpalatable to large sections of Australian opinion. The Australians seem to be in somewhat of a dilemma. They feel that the Sterling Area cannot hold together if there is to be a financial crisis every two years and they are, therefore, anxious to announce that the pound will be made convertible within a foreseeable period of time. On the other hand, Australia constitutes, at present, a very heavy drain on Sterling Area resources and because of the nature of its exports and the need for imports is not in a particularly good position to put its own house in order — at least not very quickly.

6. The Australian position is perhaps symptomatic of the difficulties facing the Sterling Area in keeping itself in balance or surplus over the long-run with the rest of the world. While the reserves are held centrally there will be a tendency for individual countries of the Sterling Area to overdraw on their earning power in the hope that somebody else will be in surplus. In this situation there will be mounting pressure from countries in a surplus position much as the Colonial areas and Pakistan to retain their earnings on the ground

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[4] Sir Leslie Rowan, deuxième secrétaire, ministère des Finances du Royaume-Uni.
Sir Leslie Rowan, Second Secretary, Treasury of United Kingdom.

that they should not be asked to indulge in restrictions of various sorts merely for the benefit of their Sterling Area partners. On the basis of the experience since the war of over-spending by Sterling Area countries, including itself, the United Kingdom's caution in accepting the Australian's thesis seems understandable. What guarantee can there be that independent governments within the Sterling Area in circumstances other than those of crises would be prepared (given the social and development needs which exist) to live within their individual means or within their aggregate means when the possibility exists of drawing on a central reserve?

7. None of the officials here is too hopeful that the measures which it has been agreed to recommend to Commonwealth Governments either will be implemented or, if implemented, would be effective in preventing a recurrence of crisis. Mr. Rasminsky is particularly concerned that, in their consideration of the problem, Sterling Area countries do not appear to have attached sufficient importance to the effect on their overall position which the running of deficits within the Sterling Area can entail. His view, of course, bears on the existence of substantial sterling balances in London. If all these balances are left to reinforce demand in the Sterling Area, the internal measures taken by the various countries could be frustrated and there would be a tendency to maintain or increase uneconomic production, for prices to rise relative to the world level and for resources which should be earning external currencies to be dissipated in the Area. Mr. Deutsch has something of the same feeling (although he is perhaps less pessimistic than Mr. Rasminsky) and both of them consider that it may require another crisis or near crisis before the Sterling Area countries are prepared to take *all* the steps which are necessary to rectify their present over-extended positions. For this reason it is the general view here that the discussions in the Working Party on Convertibility will not be immediately productive (although providing a good occasion for the countries concerned to take a first measure of the real size of the problem).

8. On the basis of this assessment of the position it seems pretty well agreed that it would be inopportune for Canada, at this stage, to play an active role in suggesting policies to be adopted by the Sterling Area countries which we may think are right for them and which, at the same time, would advance our cherished long-term objectives of multilateral trade, non-discrimination and convertibility. Apparently it would have been fairly easy for Canadian representatives at the recent meeting of Finance Ministers to take such a lead and to have rallied support from all Sterling Area countries except the United Kingdom and possibly New Zealand. Such an initiative on our part, if followed through, might have broken the Sterling Area and would hardly have served our long-term interest, quite apart from the damaging effect which it would have had on Canada-United Kingdom relations. There seems to be no doubt that the better policy is to let the pressure of events bring about the kind of atmosphere and policies which the situation in our view appears to demand. This is not to say that we are unsympathetic or unwilling to be helpful when our help can be put to good use.

9. In the recent discussions here, Mr. Rasminsky had some interesting things to say about the actions which might be taken by creditor countries when the time is ripe to lend assistance to the United Kingdom and the Sterling Area, that is to say, when there can no longer be any doubt about the full range of actions which Sterling Area countries and the United Kingdom must take and when they are willing to take them. This combination of circumstances might arise either when a further crisis is approaching or, on the assumption that Sterling Area countries now take the necessary measures to bring themselves into balance with the rest of the world, when, as seems less likely, the reserves are building up and Sterling Area countries themselves feel that it is timely to move in the direction of convertibility and non-discrimination. Assuming that it is a deepening crisis that brings the situation to a turning point, Mr. Rasminsky would not rule out the possibility of assistance from the Fund (which is steadily liberalizing its outlook), the Federal Reserve Bank and commercial banks in the United States.

10. In extending assistance in the circumstances foreseen, it would probably be possible to attach certain conditions about the policies to be adopted by the United Kingdom and other countries, notably with respect to the use of sterling balances (and trading policies), which, in Mr. Rasminsky's view, are prerequisite to the resolution of Sterling Area difficulties. We gather from Mr. Deutsch that in the hypothetical circumstances outlined, the Department of Finance might also be prepared to consider recommending the extension of Canadian assistance (perhaps by way of a loan to fortify Sterling Area central reserves). It is, of course, recognized that even in the situation envisaged it would be difficult for the United Kingdom to do much unilaterally about the new and old sterling balances and that any freezing, writing down or funding would probably have to be done by agreement with the holders, which would be very hard to obtain. Moreover, there is no doubt a point beyond which it would be impracticable, and indeed undesirable for political and social reasons, to limit the access of Sterling Area countries to the funds they hold in London, particularly those which represent post-war earnings.

11. For the present, as noted above, it is not proposed to take any positive action on Sterling Area problems. It is not considered desirable to launch another import campaign designed to stimulate United Kingdom and Sterling Area sales in Canada since, at least in the short-run, the policies recommended by the Commonwealth Finance Ministers or what is more to the point the measures they are, in fact, likely to adopt, seem as likely to reduce the availability of Sterling Area goods and increase their price as the reverse. This is particularly true while the sterling balances are pretty freely available and capital movements are unrestricted within the area. Besides there is a limit to the amount of propaganda it is desirable to direct in Canada to the stimulation of purchases from any one group of countries. However, we will naturally do nothing to discourage Sterling Area imports and our trade representatives abroad will continue to point out, when appropriate, that pre-emptive buying within the Sterling Area limits foreign earnings and thereby the achievement of the objectives which have been established. The Department of Trade and

Commerce is likely, according to Mr. Isbister, to be sending out a directive along these lines.

12. Any comments of your own, or of others in Washington, on the matters covered by this despatch would be much appreciated.

ESCOTT REID
Acting Under-Secretary of State
for External Affairs

SECTION B

CONFÉRENCE ÉCONOMIQUE DU COMMONWEALTH, LONDRES, 27 NOVEMBRE-11 DÉCEMBRE 1952

COMMONWEALTH ECONOMIC CONFERENCE, LONDON,NOVEMBER 27-DECEMBER 11, 1952

570. PCO

Note du sous-secrétaire d'État aux Affaires extérieures pour le premier ministre[5]

Memorandum from Under-Secretary of State for External Affairs to Prime Minister[5]

SECRET Ottawa, June 28, 1952

COMMONWEALTH ECONOMIC CONFERENCE,
LONDON, NOVEMBER, 1952

The United Kingdom proposal, as set forth in Commonwealth Relations telegram, Circular W, No. 106 of June 25, 1952,† for the holding of a Commonwealth Economic Conference in London next November confronts the Canadian Government with some difficult policy decisions.

The first decision has already been taken, which is to participate in the conference. This decision is correct, not only because our reluctance to participate would be misunderstood in the other Commonwealth countries as well as in Canada, but also for the very important reason that by participating we can help to influence the direction in which the discussions at the conference proceed and the eventual outcome of the conference. Although the fact that we are not a member of the sterling area places us apart from the other Commonwealth delegations in economic discussions, the experience of the last conference of Commonwealth Finance Ministers demonstrated clearly that our views are listened to with respect, and the detached attitude we are able to adopt towards certain of the problems enables us to exert considerable influence over the discussions. Fundamentally this is because no member of the Commonwealth wishes to see Canada placed in a position where its membership in the Commonwealth proves to be an embarrassment.

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[5] Note marginale :/Marginal note:
See note at the end. St. L[aurent]

The other difficult decisions of policy with which Canada will be faced are indicated by certain of the factors which the United Kingdom Prime Minister has used to justify the calling of the conference. For instance, he refers to the importance of discussions with the Government of the United States soon after the November election and the necessity of Commonwealth countries adopting a common outlook towards issues arising in such organizations as the Fund,[6] the Bank,[7] GATT and ECOSOC. It has been our policy to avoid giving the United States justification for regarding the Commonwealth as a medium for "ganging up" against the United States. Moreover, our special ties with the United States and the fact that we are not a member of the sterling area makes it often difficult for us to find common ground with other Commonwealth countries in the approach to economic problems.

The conference is being called in answer to a rather insistent demand on the part of a section of the Conservative Party in the United Kingdom. This section is perhaps more vocal than influential, but it has the powerful support of Lord Beaverbrook, Lord Camrose and Lord Kemsley and the papers which they control. This group have been urging the closer economic consolidation of the Commonwealth as an exclusive trading block. More specifically, they have directed their attack against the provisions of GATT which preclude the increase of existing preferences or the introduction of new preferences. In other words the policy they advocate is the extension of the system of preferences which were originally sponsored by Canada and found widespread application in the decisions of the Imperial Economic Conference held at Ottawa in 1932.

The movement towards closer economic cooperation among the Commonwealth countries finds a ready response in Australia and New Zealand and also to some extent in South Africa but it is clear that doubts about the feasibility of such a policy are widely held among responsible circles in the United Kingdom and among an influential group of Australian officials.

In some cases these doubts spring from a realization that trade rivalry is the factor most likely to introduce discord into the Anglo-American alliance. Good relations between Commonwealth countries and the United States are greatly facilitated if controversial trade questions can be kept in the background. GATT has been successful in achieving this objective. In other cases the doubts arise from a realization that the building-up of an exclusive trading block for the purpose of sheltering Commonwealth industries from American, German, and Japanese competition is unsound economically and likely to defeat the ultimate objective of the convertibility of sterling.

The recent repudiation by the United States Congress of the State Department policy directed towards the freeing of trade barriers is undermining the support for GATT in many Commonwealth countries, including Canada. There is only need to mention in this connection the failure of the United States Congress to pass the Customs Simplification Bill and the passing of the Andresen Amendment to the Defence Production Act which imposed quotas on the import of dairy products into the United States. These actions by Congress inconsistent with the policy of the State Department have meant that the United States has forfeited, for the time being, its leadership in the movement towards freer world trade.

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[6] International Monetary Fund.

[7] International Bank for Reconstruction and Development.

The General Agreement on Tariffs and Trade (GATT) itself is not a very secure instrument in that it is receiving only provisional application to the extent consistent with the existing legislation. Accordingly it is difficult to defend GATT as the basis for the further development of freer world trade. However, the standstill on the increase of preferences is the effective quid pro quo which the United States received for reductions in United States duties and it is inconceivable that the new administration could maintain the reduced duties granted to Commonwealth countries in the face of a repudiation of the main concession received by the United States. More than any Commonwealth country Canada would suffer from the general break-up of GATT and the restoration of United States duties to the Hawley-Smoot level.

Apart from GATT, it must also be admitted that the Fund, the Bank and ECOSOC have failed to fulfil the high hopes originally held for them. Accordingly, a new initiative in the direction of more liberal international economic policies is desirable. The important questions to be resolved are the timing and method of such an initiative. From this it follows that the Canadian role at the forthcoming Commonwealth Economic Conference should not only be negative but also positive. Besides resisting any tendency to form all or some of the members of the Commonwealth into an exclusive trading block, we should endeavour to direct the discussions towards the manner in which an approach might be made by Commonwealth countries to the United States whereby existing international economic agencies could be re-constituted so as to be more effective instruments for the freeing of international trade. This approach to the United States should not in any sense take the form of a "ganging up" of Commonwealth countries. It should rather be a constructive approach by which those elements in the United States who realize the obligations of that country as a creditor nation may exert an influence towards having the United States once more assert its leadership in the field of international economic cooperation.

It is encouraging that the Acting United Kingdom High Commissioner's letter, transmitting the telegram, refers to the fact that the proposed economic conference will supersede the Finance Minister's conference scheduled for next January and also that the two working parties on convertibility of currencies and economic development within the Commonwealth will be continuing their meetings and presumably reporting to the conference. It would be sound policy for Canada to treat the economic conference as in every way stemming from the Finance Ministers Conference with the change in name being mainly for the purpose of embracing a wider range of Commonwealth economic problems, including those of trade. If this course is followed it would be easier to define our objectives as those of leading the Commonwealth towards sound economic policies, which could provide a basis for the eventual convertibility of sterling and an approach at the appropriate time to the Government of the United States for a new initiative towards freer world trade.

If these general objectives meet with approval, it is recommended that a suitable group of Canadian officials should be assigned the task of preparing the ground for the conference, particularly with a view to securing instructions from the Government prior to the meeting of Commonwealth officials which is to be held for the purpose of preparing for the conference.[8]

L.D. W[ILGRESS]

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571. DEA/50123-40

Le haut-commissaire au Royaume-Uni
au secétaire d'État aux Affaires extérieures

High Commissioner in United Kingdom
to Secretary of State for External Affairs

TELEGRAM 1614 London, July 18, 1952

SECRET

Reference: My telegram No. 1474 of June 27.[†]

Following for Wilgress from Robertson, Begins:

1. I have been asked to see Salisbury and Liesching on Tuesday, July 22. I believe the purpose of the meeting is to try to get some preliminary and private appreciation of the Canadian approach to some of the questions raised by the forthcoming Commonwealth Economic Conference.

2. I understand acceptances have been received from all the Prime Ministers except Nehru and Malan, who will each be represented by colleagues. I expected that there would be a public statement about the conference before this, but it may be that they have decided to hold it for the forthcoming parliamentary debate on this country's financial and balance payments position which is to take place before the August adjournment. If there are any particular points about the conference arrangements or procedures which you would like to have the United Kingdom Government keep in mind, this meeting might afford an opportunity of bringing them forward. Ends.

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572. DEA/50123-40

Le secrétaire d'État aux Affaires extérieures
au haut-commissaire au Royaume-Uni

Secretary of State for External Affairs
to High Commissioner in United Kingdom

TELEGRAM 1446 Ottawa, July 21, 1952

SECRET. IMMEDIATE.

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[8] Notes marginales :/Marginal notes:
This might in the first instance be the Committee on External Trade Policy which could appoint a working sub-committee. 28.vi.52 J.W. P[ickersgill]
Approved by Council this 30-6-52. St. L[aurent]

COMMONWEALTH ECONOMIC CONFERENCE

Reference: Your telegram No. 1614 of July 18th.

Following from Reid, Begins: So far as Conference arrangements or procedures are concerned, we have nothing to add at this stage to the Prime Minister's reply to Mr. Churchill.

The substance of the Conference has been discussed only briefly by Ministers and in a very preliminary way in the Inter-Departmental Committee on External Trade Policy, on the basis of a memorandum prepared by the Under-Secretary. There does seem, however, to be fairly general agreement on the following points which you may wish to bear in mind in your talk with Salisbury and Liesching tomorrow:

(a) We should endeavour to represent the Conference as stemming naturally from the meeting of Finance Ministers and not as some new departure from which striking and immediate results can be expected.

(b) Every effort should be made to avoid giving the impression during the Conference or subsequent to it that the Commonwealth is "ganging up" on the United States.

(c) In the circumstances which have prevailed since their inception, Canada has been, on the whole, satisfied with the progress made by the Fund, the Bank and, perhaps to a lesser extent, the General Agreement on Tariffs and Trade.

These institutions will undoubtedly be discussed in the Conference and we should endeavour to ensure that any changes in them which other members of the Commonwealth may propose, should be in the direction of freer world trade and payments and should not facilitate resort to further restrictionism.

3. Incidentally we assume that the United Kingdom will shortly be circulating a draft agenda for the conference and that this will be received in good time before the proposed preliminary meeting of senior officials. Ends.

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573. DEA/50123-40

Le haut-commissaire au Royaume-Uni
au secrétaire d'État aux Affaires extérieures

High Commissioner in Great Britain
to Secretary of State for External Affairs

TELEGRAM 1642 London, July 23, 1952

SECRET

Reference: Your telegram No. 1446 of July 21.

Your telegram under reference arrived after I had seen Salisbury and Liesching but our conversation covered point (a) and (b) pretty adequately. We did not get around to mentioning the Fund, the Bank or, except in very general terms, GATT.

2. Salisbury confirmed that it was Mr. Churchill's intention to make an announcement about the forthcoming Commonwealth economic conference

during the debate on the general economic and financial situation which is now fixed for July 28. He will be consulting you and the other Commonwealth governments about the timing of the announcement so that simultaneous releases can be made in other Commonwealth capitals. He did not think it would be practicable to carry out consultations with all the Commonwealth governments between now and July 28 to determine an agreed text of the announcement. So far as the United Kingdom is concerned, they hope that Mr. Churchill's statement will be brief and general and will not attempt to outline the agenda of the conference or to anticipate what its outcome might be.

3. I expressed some misgivings about the possible variations on a common theme which might arise if everybody was left free to embroider it at will. One of the real dangers in the forthcoming conference was that its announcement might encourage hopes of a sudden and miraculous change of climate, both here and in other Commonwealth countries. To lessen this risk and put the meeting in its proper context, I suggested that in the statement announcing the meeting it might be linked with the finance ministers' meeting in January last; a few useful phrases from the agreed communique issued at the close of that meeting might be worked into the United Kingdom announcement. Salisbury will try to make this point with his Cabinet colleagues.

4. I enquired whether the United States had yet been told of the plans for the meeting and said I thought this should be done as far as possible in advance of the public announcement. Salisbury and Liesching were not sure whether anything had yet been said to the United States but ascertained from the Foreign Office that, in fact, nothing had been said. Washington will be informed right away of their plans, probably through the United States Ambassador here.

5. We had a little general sparring about what I thought was a rather defeatist United Kingdom approach to the American market — a disposition to be frightened off the moment any United States manufacturer applied to the United States Tariff Commission for an increase in rates or the application of an escape clause. I thought they should be readier to recognize the very real efforts that President Truman and his administration were making to fit American commercial policy to the facts of America's creditor position. Progress was slow but the direction was right. It should be their aim, as it was ours, to facilitate and encourage every American effort in this direction. The risks involved in a positive policy of co-operating with the North American countries might be real but they were small compared with the political and economic risks of trying to live without the United States.

6. Salisbury, who is a member of the Cabinet Committee under Eden's chairmanship which will be responsible for preparations for the conference, said that a good deal of preliminary work had been done but that none of its results had yet come to Cabinet. He hoped that they would have been able to thresh out the main lines along which the United Kingdom would approach the conference in time for the preliminary meeting of officials to begin in London about September 22. This meeting, which will have to be sandwiched in between the Fund meeting in Mexico in early September and the GATT

meeting in Geneva in October should, Liesching thought, last about a month. This would give ministers about a month to consider the agenda in the light of the preliminary discussion between officials before the Prime Ministers assemble on November 25. The Prime Ministers' meeting might last about three weeks.

7. I thought it would do no harm to remind them that the dates proposed for the meeting would not be very convenient dates for Mr. St. Laurent. It was true that he had been the first to accept Mr. Churchill's invitation and was expecting to be present himself for part at least of the meetings. Our House, however, would probably be reassembling on November 20 and it was important to get in a month's work before Christmas if Parliament was to rise early enough to permit ministers to be present at the coronation.

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574. DEA/50123-40

Le secrétaire d'État aux Affaires extérieures
au haut-commissaire au Royaume-Uni

Secretary of State for External Affairs
to High Commissioner in United Kingdom

TELEGRAM 1477 Ottawa, July 25, 1952

SECRET. MOST IMMEDIATE.

Reference: Your telegram No. 1642 of July 23rd.

Following from Pickersgill for Robertson.

1. Your telegram arrived at the same time as a message from Mr. Churchill for the Prime Minister transmitting the text of a proposed announcement to be made on Tuesday, July 29th, about a Commonwealth Economic Conference.

2. I am trying to arrange to go to St. Patrick to see the Prime Minister tomorrow and there are no other Ministers available for consultation before the beginning of next week, but I can give you my own reaction which I believe reflects the official view, and I imagine will be shared by Ministers.

3. The Prime Minister's reply to Mr. Churchill of June 26th stated "we feel that no definite date should be set until we have seen a tentative agenda, prepared in adequate detail, so that we may be sure that the Conference will have something tangible to deal with on which there is some reasonable prospect of reaching useful conclusions." We are therefore surprised that, a whole month later, the U.K. government should decide that an almost immediate announcement is necessary in total disregard of the express view of our government, and we still think the setting of a date and the formal announcement should be withheld until there is some agreement on an agenda which we believe would justify a conference.

4. Assuming we are absolutely alone in this objection, and that we do not wish to take the responsibility for holding up something other Commonwealth Prime Ministers are willing to agree to, should we not at least insist on certain changes in the proposed announcement by Mr. Churchill:

(i) to make it clear that the proposed conference is a successor of the last meeting of Finance Ministers, and is to replace the meeting proposed for next January, but that its scope is being broadened to consider a wider range of economic questions as suggested in Mr. Churchill's original message;

(ii) to amend the phrase which refers to pressing issues which are common to our several countries and the development of a constructive approach and, indeed, to make sure that there is no phraseology which suggests, or can reasonably be construed to suggest, that the Conference is for the purpose of establishing a common economic front or ganging up against anyone. We are all particularly concerned to make it clear that Canada is not prepared to join in formulating any single Commonwealth policy with respect to the Fund, the Bank and GATT.

5. In this connection, I personally think it would be desirable to have the reference to representation of colonial territories amended. As it stands it is bound to create a poor reaction in the United States and would look to many Canadians like a revival of the old lion-cub theory of Empire.

6. If the Conference is to be held in November, it would obviously suit Mr. St. Laurent much better to have it begin on the 27th than on the 25th. That would enable him to remain in Ottawa to speak on the Address in Reply to the Speech from the Throne on the 24th and still be in London for the opening of the Conference. Perhaps this point should be made immediately. I am horrified, and I am sure the Prime Minister will be by the suggestion that the meeting should last three weeks. Surely ten days would be an absolute maximum and even that would carry it to the 5th or 6th of December.

7. I thought it useful to send this telegram immediately and to have a copy to show the Prime Minister so that if he agrees with its general terms, I can send you a brief message tomorrow night after my return. I shall also inform Earnscliffe of the Prime Minister's views, but I feel sure he will wish to have you take the initiative in putting his position in London. Ends.

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575. DEA/50123-40

Le secrétaire d'État aux Affaires extérieures
au haut-commissaire au Royaume-Uni

Secretary of State for External Affairs
to High Commissioner in United Kingdom

TELEGRAM 1486 Ottawa, July 26, 1962

SECRET. IMMEDIATE.

Following from the Prime Minister for Robertson.

1. Pickersgill has shown me his telegram No. 1477 of July 25th and the incoming messages to which it refers.

2. I have asked him to hand the following reply to the U.K. Acting High Commissioner in Ottawa:

"I have shown the Prime Minister Mr. Churchill's message which you transmitted to me on July 24th, and the draft of a proposed announcement of a Commonwealth Economic Conference.

Mr. St. Laurent has asked me to let you know that he has asked our High Commissioner in London to see Mr. Churchill and communicate our views to him. This course was considered desirable because Mr. Robertson has been asked to discuss some of the points about which we are concerned and to determine them on the spot.

Would you let your Prime Minister know that he may expect Mr. Robertson to ask for an opportunity to see him on Monday, July 28th."

3. I should be grateful if you would arrange to see Mr. Churchill as early as possible on Monday and put to him the points set out in Pickersgill's telegram, with such modifications and amplifications as, in your judgement, are desirable.

4. I suppose Mr. Churchill is determined to make this announcement in the forthcoming debate and nothing short of our refusal to participate would be likely to cause postponement of an announcement at this time. Desirable as a postponement would be until we can determine the agenda, I do not think, in view of local opinion here, we would be wise in going that far.

5. I feel, however, we should be most insistent on the modification of the proposed announcement so as to remove any impression that the Commonwealth is seeking to create a common front against the United States or anyone else.

6. I assume there should be no difficulty about having the opening date fixed not earlier than November 27th and that there is no serious thought of the Conference lasting three weeks. In any event I could not undertake to be present before November 27th nor to remain away from Ottawa for as much as three weeks. Ends.

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576. DEA/50123-40

Le haut-commissaire au Royaume-Uni
au secrétaire d'État aux Affaires extérieures

High Commissioner in United Kingdom
to Secretary of State for External Affairs

TELEGRAM 1669 London, July 26, 1952

SECRET. MOST IMMEDIATE.

Reference: Your telegram 1477 of July 25.

Following for Pickersgill from Robertson, Begins:

1. In United Kingdom view main topic for discussion at Prime Ministers' meeting will be those indicated in Mr. Churchill's message of June 25. They have not yet been able to get an agenda paper before Cabinet and fear they cannot do so before Wednesday or Thursday at the earliest. They aim now to

circulate a preliminary agenda paper for observation of other Commonwealth Governments about the end of next week. The view of the officials who I saw this morning is that the real agenda programme for the Prime Ministers' discussions will have to be threshed out at the officials' meeting set for September 22.

2. The parliamentary timetable for this last week of the current session is extremely tight and the government have given two days, Tuesday and Wednesday, for a discussionn on the general economic-financial situation. They feel they have to make a statement about the Commonwealth economic meeting in the course of this debate, preferably at its beginning, hence the urgency of agreement on what is to be said before Tuesday, July 29.

3. In the light of your telegram and in the hope of securing agreement on something tolerably innocuous quickly, I have suggested following drafting changes in United Kingdom Prime Minister's proposed statement:

(i) First sentence might be revised to read as follows: "Some little time ago, I communicated to my fellow Prime Ministers in the Commonwealth the proposal that we should meet in London in the latter part of November and review together the pressing issues of financial, commercial and economic policy with which our several countries are faced, some of which have been the subject of continuing consultation since the Finance Ministers' meeting in January of this year. It was our hope that out of such discussions we could develop (or work toward) a constructive approach to the economic problems of the free world."

(ii) In last phrase of next sentence, I have suggested inserting "in the last week of November" instead of "November 25" and expect agreement without too much difficulty can be reached on November 27 but probably not before Tuesday's statement.

4. I did not think it reasonable or practicable to object to a reference in the statement to the representation of colonial territories and hope this point will not be pressed in the Prime Minister's reply. I do not see any harm in phrase "constructive approach to the economic problems of the free world" in fact, each word in it helps to put the forthcoming meeting in the wider context which some of the proponents of exclusively Commonwealth co-operation are apt to deny. To this extent it is a saving clause rather than one to which we should object.

5. If a gloss is needed on the suggestion that we should object to the word "common" in the United Kingdom draft but could accept the alternative language, it would be that in fact our countries all are "facing" such issues as the inconvertibility of the pound sterling though from opposite sides of the fence.

6. On the question of ganging up (I do not know whether your stenographer or the cypher operator made the very happy mendation "gangling up") I feel the United Kingdom have been slow in discussing the initiative they are taking with the United States. I prodded them on this point a week ago. They claim the United States Embassy in London has been kept generally informed and

that they are formally notifying the Ambassador here on Monday. I think it would be helpful if Wrong could find an early opportunity of talking to the State Department about our general approach and attitude toward the forthcoming meeting. It might also be worth suggesting to the State Department that their Embassy in London keep in touch with Canada House on developments in this general field.

7. I might add by way of extenuation of the rather disconcerting alternation of speed and slowness in the United Kingdom's handling of arrangements for this meeting that Eden, who is Chairman of the Cabinet Committee on the subject, has been ill and absent from office for the better part of the last three weeks. Ends.

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577. DEA/50123-40

Le secrétaire d'État aux Affaires extérieures
au haut-commissaire au Royaume-Uni

Secretary of State for External Affairs
to High Commissioner in United Kingdom

TELEGRAM 1487 Ottawa, July 26, 1952

SECRET. IMMEDIATE.

Reference: Your telegram No. 1669 of July 26.

Following for Robertson from Pickersgill, Begins: I have just returned from St. Patrick and felt it advisable to despatch telegram to which Prime Minister agreed even though I had read your telegram.

You will see that his paragraph 3 gives you ample latitude and I think your proposed amendment is satisfactory.

Wrong will be here on Monday and I will discuss the other point with him. Ends.

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578. DEA/50123-40

Le haut-commissaire au Royaume-Uni
au secrétaire d'État aux Affaires extérieures

High Commissioner in United Kingdom
to Secretary of State for External Affairs

TELEGRAM 1673 London, July 28, 1952

SECRET. IMMEDIATE.

COMMONWEALTH ECONOMIC CONFERENCE

Reference: Your telegrams Nos. 1486 and 1487 of July 26.

Following for Pickersgill from Robertson, Begins:

1. I have not yet been able to see Mr. Churchill but I have seen Lord Salisbury and have gone over the points of concern to us with him. He

regretted the delays on their side that had made this last-minute rush unavoidable, and hoped very much that the modifications he was ready to recommend in the draft parliamentary statement would make it acceptable to Canada. At this stage it would be physically impossible to circulate a tentative agenda prior to the parliamentary statement. On the question of circulating an agenda he did not do more than repeat what I reported in paragraph 1 of my telegram No. 1669 of July 26.

2. Lord Salisbury has agreed, subject to Mr. Churchill's concurrence, in the textual changes in the parliamentary statement reported in my telegram under reference. The statement will, however, have to be still further recast to meet (a) a joint South African and Indian objection to their countries being bracketed in a single sentence, and (b) an Indian objection to the reference to "the free world." The CRO have suggested meeting the Indian difficulty by a reference to "the economic problems of the countries of the Commonwealth and of the other nations that are associated with them." I thought this clumsy and open to some substantive objection on our part, and suggested it might meet Indian susceptibilities and at the same time keep the discussions in the context in which we think they belong by simply referring to "the economic problems that beset the world."

3. Text of statement as finally established may reach you through Earnscliffe more quickly than from Canada House. I will send you further word when I have heard from Mr. Churchill. Ends.

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579. DEA/50123-40

Le haut-commissaire au Royaume-Uni
au secrétaire d'État aux Affaires extérieures

High Commissioner in United Kingdom
to Secretary of State for External Affairs

TELEGRAM 1676 London, July 28, 1952

SECRET. IMMEDIATE.

Reference: Our telegram No. 1673.

Following is text of revised draft of announcement. Still subject to confirmation. Begins: Some little time ago I communicated to my fellow Prime Ministers in the Commonwealth a proposal that we should meet in London in the latter part of November to review together the pressing issues of financial, commercial and economic policy with which our several governments are faced, some of which have been the subject of continuous examination since the Finance Ministers' meeting in January of this year. It was our hope that out of such discussions, we could work towards a constructive approach to the economic problems which beset the world.

I am glad to be able to inform the House that my fellow Commonwealth Prime Ministers have agreed that such a meeting will be timely and that it will open in the last week of November.

The Prime Minister of South Africa has told me that while he himself would unfortunately have special difficulty in attending the conference at the time proposed, his country will represented.

The Prime Minister of India will be unable to attend at the time proposed, but the Government of India have agreed to make appropriate arrangements for India's participation.

All other Commonwealth Prime Ministers including the Prime Minister of Southern Rhodesia, hope to be present themselves for the whole or part of the conference.

Arrangements will also be made for the representation of the colonial territories.

The conference will be preceded by preparatory discussions between officials of Commonwealth countries.

I shall give the House further information on the subject in due course. Ends.

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580. DEA/50123-40

Le haut-commissaire au Royaume-Uni
au secrétaire d'État aux Affaires extérieures

High Commissioner in United Kingdom
to Secretary of State for External Affairs

TELEGRAM 1682 London, July 29, 1952

CONFIDENTIAL. MOST IMMEDIATE.

Reference: Your telegram No. 1495 of July 28th.*

Mr. Churchill has agreed to the text quoted in my telegram No. 1676, and will make the announcement in the House of Commons this afternoon at approximately 4 p.m. London time.

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581. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa,] August 14, 1952

. . .

COMMONWEALTH ECONOMIC CONFERENCE; AMENDMENTS TO PROPOSED AGENDA

1. *The Acting Prime Minister* said the United Kingdom High Commissioner's office had on August 5th, 1952, transmitted the agenda which the U.K. government proposed for the Commonwealth Economic Conference

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*Non retrouvé./Not located.

in November. It had been considered by the Interdepartmental Committee on External Trade Policy, which was of the view that it tended to direct attention too much toward problems outside the countries of the sterling area and to afford insufficient scope for discussion of their internal policies which the Canadian government thought to be of primary importance if any real solutions were to be found to the sterling area difficulties. The Interdepartmental Committee had recommended a number of amendments, principally to the commentary on the agenda which served to indicate the character of matters for attention under the various items. If the proposed amendments were approved it was intended to have them submitted to the Prime Minister for his consideration and thereafter transmitted to the High Commissioner in London for communication to the U.K. government.[10] In the telegram of transmittal the purpose of the modifications would be explained.[11] The High Commissioner would also be informed that the Canadian government did not favour publication of any detailed agenda in advance of the Conference. It would be suggested that, as an alternative, a general statement concerning the purposes of the Conference might be issued after consideration by the participating governments.

An explanatory memorandum had been circulated.

(Acting Secretary's memorandum, August 12, 1952 and attachments — Cab. Doc. 237-52)†

2. *The Minister of Finance* agreed with the proposed modifications. At an early date consideration would have to be given to the line to be followed by the Canadian representatives at the official meetings in September and at the Conference itself. On earlier occasions, Canada had indicated some of the measures it was thought had to be taken by the sterling area countries but the points had been put forward with some restraint and diffidence. It was for consideration whether the Canadian position should be put more directly at the coming Conference.

3. *The Secretary of State for External Affairs* also agreed with the general character of the modifications. While they would not commit the government specifically, they did indicate a line that Canada would be expected to follow after having made the suggestions.

4. *Mr. Howe* said it seemed probable that the U.K. government would be suggesting an increase in reliance on imperial preferences and a withdrawal from certain of the principles and obligations of G.A.T.T. Any such line of development would be contrary to the interests of Canadian trade. He agreed that consideration should be given to the line to be followed at the meetings. The Interdepartmental Committee on External Trade Policy would be considering the matter at meetings on August 15th and August 22nd and would have a report for consideration by the Cabinet on or about August 26th.

5. *The Cabinet*, after discussion, approved the recommendations of the Interdepartmental Committee on External Trade Policy for amendments to the

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[10] Voir le document 583./See Document 583.

[11] Voir le document suivant./See following document.

draft agenda for the Commonwealth Economic Conference and the draft explanatory telegram to the Canadian High Commissioner in the United Kingdom; the proposed amendments and draft telegram to be submitted for the approval of the Prime Minister before transmission.

. . .

582. DEA/50123-40

Le secrétaire d'État aux Affaires extérieures
au haut-commissaire au Royaume-Uni

Secretary of State for External Affairs
to High Commissioner in United Kingdom

TELEGRAM 1571 Ottawa, August 18, 1952

SECRET. IMMEDIATE.

DRAFT AGENDA FOR THE COMMONWEALTH ECONOMIC CONFERENCE

Presumably you will by now have received copies of the draft Agenda proposed by the United Kingdom Government for the Commonwealth Economic Conference, together with letter of transmittal from Thomson to Pickersgill.† We have considered the expanded draft Agenda contained in Annex B and are proposing a number of changes, principally in the explanatory text. Our amended version is contained in the immediately following telegram. It has been approved by the Cabinet and also by the Prime Minister who is at present absent from Ottawa. I would be grateful if you would transmit the proposed amendments to the United Kingdom authorities.

Publicity

2. We are not in favour of publishing any detailed Agenda such as that suggested in Annex A to Thomson's letter. As you know, it has not been customary in the past to publish an advance agenda for Prime Ministers' conferences. Furthermore, we feel that in this instance, publication of the bare bones of an itemized agenda might lead to a misinterpretation of the purpose of the Conference and of our role in it. If some kind of an advance release is considered desirable, we feel that it should take the form of a suitable general statement. We would like to see any such statement before it is released.

Proposed Amendments to Draft Agenda

3. Generally, the U.K. draft seems to us to place an undue and almost exclusive emphasis on the factors external to the Sterling Area. It is far too outward looking and does not appear to provide adequate basis for the examination of the developments inside the system. We have therefore proposed, as you will see, a number of amendments to the explanatory text which should provide an opportunity for more realistic examination of the whole problem in its wider aspects.

4. Another unsatisfactory feature of the United Kingdom draft is the excessive emphasis on the possibility of a joint Commonwealth approach. There is a strong implication that the Conference should aim at the development of an agreed Commonwealth line on economic and commercial policy matters which are of wide international importance. The reference to "the question of modifications to international institutions such as the I.M.F. and GATT" is particularly important in this respect. When the announcement of the Conference was being considered we referred to the importance of avoiding any suggestion of "ganging up". (Our telegram No. 1477 of July 25.) We are proposing amendments that are in line with that view.

5. We have attempted to incorporate our amendments without altering too much the general structure of the United Kingdom draft. With one exception, the main headings have been left unchanged. We would like to avoid, if possible, serious controversy over the Agenda. However, we regard our proposed amendments as important if it is desired that we be completely frank in our appraisals of the present situation and our real views about what we regard as serious contributing factors.

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583. DEA/50123-40

Le secrétaire d'État aux Affaires extérieures
au haut-commissaire au Royaume-Uni

Secretary of State for External Affairs
to High Commissioner in United Kingdom

TELEGRAM 1572 Ottawa, August 18, 1952

SECRET. IMMEDIATE.

DETAILED AGENDA FOR COMMONWEALTH ECONOMIC CONFERENCE

Reference: My immediately preceding Telegram No. 1571 of today's date.

Proposed Canadian changes in Annex B of draft agenda suggested by United Kingdom Government are set forth below. The British and Canadian versions of the draft are shown under each heading. With the exception of Item 5, the main headings are unchanged. The underlining indicates where the principal changes are proposed. Begins:

1. The lessons to be drawn from experience since the war

British version:

This would deal with the assumptions underlying postwar agreements such as the I.M.F. and G.A.T.T. and the extent to which those assumptions have been falsified by events.

Canadian version:

This would *review trade and payments developments and objectives since the war and would analyze the external causes and the internal causes of the difficulties enountered by Commonwealth countries.* It would include consideration of the assumptions underlying postwar agreements such as the

I.M.F. and G.A.T.T. and the extent to which subsequent events *and policies* have *affected the validity* of those assumptions.

2. The likely tendencies and characteristics of the world economy during the next few years

British version:

This would deal with the extent to which the unforeseen features of the postwar economy and particularly the world dollar shortage are likely to persist.

Canadian version:

This would deal with the extent to which the unsatisfactory features of the postwar economy and particularly the *payments difficulties*, are likely to persist, *and the extent to which they might be alleviated by the adoption of appropriate policies by the countries concerned.*

3. Objectives in external economic policy

British version:

This would aim at the formulation of a long-term policy for the Commonwealth in the field of international trade and payments, taking as a start the statement issued at the conclusion of the Commonwealth Finance Ministers' meeting in January, 1952.

Canadian version:

This would *attempt to determine the external objectives of economic policy*, taking as a start the statement issued at the conclusion of the Commonwealth Finance Ministers' meeting in January, 1952.

4. Aspects of these objectives and of the means for achieving them

British version:

(a) External financial policy
(b) Economic development
(c) Trade policy

Canadian version:

(a) *Domestic economic policies affecting the external position*
(b) External *trade and financial* policies
(c) Economic development

British version:

(a) and (b) would continue the examination of the issues considered and in a preliminary way in the interim reports of the Commonwealth Working Parties on convertibility and development. (For this purpose it is hoped that all Commonwealth Governments will have been able to complete by 22nd September various studies called for in these two interim reports.) (c) would involve discussion of the further steps in the trade field that Commonwealth Governments jointly and severally would need to take to achieve their objectives. (Preferences and quantitative restrictions would be considered on this item.)

Canadian version:

(a), (b) *and (c)* would continue the examination of the issues considered and in a preliminary way *in the Commonwealth Finance Ministers' meeting* and in the interim reports of the Commonwealth Working Parties on convertibility and development. (b) would involve discussion of the *steps* that *Commonwealth Governments* might take to achieve their objectives *including, among other things, the effect of* preferences and quantitative restrictions.

British version:

(d) commodity policy

This would discuss means of creating greater stability in trade in primary commodities but would not involve an attempt to work out detailed plans for particular commodities.

Canadian version: No change.

British version:

(e) international institutions

This would be concerned with the question of modifications to international institutions such as I.M.F. and G.A.T.T. to take account of 1, 2 and 3 above.

Canadian version:

(e) international institutions

This would be concerned with the *role of international institutions* such as I.M.F. and G.A.T.T., taking account of 1, 2 and 3 above.

5.

British version: Co-operation with non-Commonwealth countries.

Canadian version: Co-operation with other countries.

British version:

This would be concerned particularly with problems arising from the need to co-operate with the United States and O.E.E.C. countries and with the responsibilities of debtor and creditor countries respectively.

Canadian version:

This would be concerned with *the desirability of achieving more effective international co-operation, particularly* with the United States and O.E.E.C. countries, and with the responsibilities of debtor and creditor countries respectively.

6. The short-term balance of payments prospects of the sterling area and policy for 1953

This would be an examination of immediate problems on the lines of that normally carried out at meetings of Commonwealth Finance Ministers.

(No change.)

584. DEA/50123-40

Le haut-commissaire au Royaume-Uni
au secrétaire d'État aux Affaires extérieures

High Commissioner in United Kingdom
to Secretary of State for External Affairs

TELEGRAM 1796 London, August 20, 1952

SECRET. IMMEDIATE.

CANADIAN AMENDMENTS TO DRAFT AGENDA FOR COMMONWEALTH ECONOMIC CONFERENCE

Reference: Your telegrams Nos. 1571 and 1572 of August 18.

We transmitted your proposed amendments in the form of an aide memoire (the main paragraphs of which are reproduced below) to the Commonwealth Relations Office (Alec Symon) late yesterday afternoon.

2. Symon could not, of course, comment officially on our proposed amendments. Nor could he tell what procedure might have to be adopted to finalize a first draft of an agreed agenda, e.g. such as circulating all proposed amendments to other Commonwealth Governments and perhaps holding a meeting of officials here at an early date to discuss them.

3. So far, only the Indians have put in their comments. Their proposal is that the main headings (items) 1 and 2 should be combined to read something like: "Review of economic developments in recent years and likely prospects." Symon thinks the Indians have world politics in mind and that the language they propose is designed to dispel any impression that the Commonwealth is "ganging up" (not against the United States but against Soviet countries). Moreover, the word "war" is deleted.

4. Symon is thinking of sending a telegram to other Commonwealth countries to expedite receipt of any comments which they might have to make on the United Kingdom draft agenda.

5. Symon, by the way, fully expected the type of amendments which we put in and he himself is quite sympathetic to the approach they represent. Although he could hardly comment on our proposals at this time, he did say in passing that the addition we proposed as Item 4 (a) — "domestic economic policies affecting the external position" — was the "heart of the problem".

6. The following are substantive paragraphs of the short aide memoire we left with the Commonwealth Relations Office yesterday and which I shall leave with Mr. Butler today, Begins: The Canadian Government has considered these two documents and transmits the following proposals and amendments.

As regards publicity, the Canadian Government is not in favour of publishing any detailed agenda such as that suggested (Annex A). It has not been customary in the past to publish an advance agenda for Prime Ministers' Conferences. Furthermore, the Canadian Government feels that in this instance publication of the bare outline of an itemized agenda might lead to undesirable speculation. If some kind of an advance release is considered desirable, the Canadian Government feels that it should take the form of a suitable general statement. The Canadian Government assumes that it would be given an opportunity to see such a statement before it is released.

The amendments proposed do not alter too much the general structure of the United Kingdom draft. With one exception, the main heading (Annex A) have been left unchanged. The majority of the amendments which are proposed, therefore, are to the expanded Annex B.

A number of amendments to the proposed agenda result from the fact that, in the view of the Canadian Government the United Kingdom draft seems generally to place an undue emphasis on the factors external to the sterling area and, consequently, does not appear to provide an adequate basis for an examination of the developments inside the system. The Canadian Government feels, therefore, that the proposed amendments should provide an opportunity for a more realistic examination of the whole problem in its wider aspects.

Other proposed amendments are designed to remove the implication that the Conference should aim at the development of an agreed Commonwealth line on economic and commercial policy matters which are, in fact, of wider international importance.

The amendments proposed by the Canadian Government to Annex B are appended.

The Canadian Government considers these amendments as important in order to facilitate a full appraisal of the present situation and of its contributing factors. Ends.

585. DEA/50123-40

Le haut-commissaire au Royaume-Uni
au secrétaire d'État aux Affaires extérieures

High Commissioner in United Kingdom
to Secretary of State for External Affairs

TELEGRAM 1818 London, August 22, 1952

SECRET AND PERSONAL. IMMEDIATE.

Reference: Our telegram No. 1796 of August 20.

1. When I saw Butler on August 20, he knew we had put in a redraft of the explanatory notes on the conference agenda, though he had not himself seen the text nor had any opportunity to discuss it with his own staff. He said that as far as he was concerned, and he was sure he spoke for the whole government, the central problem of the sterling area countries was fundamentally a problem of internal finance and domestic economy. If the draft agenda and explanatory notes attached to it gave us the impression that they were trying to shift the emphasis from this central problem to the "outward" aspects of their difficulties, then their papers had been badly drafted and he would welcome our suggestions for clarification and revision.

2. He went on to say that they might have some difficulty in getting India, Pakistan, and perhaps Australia, to agree on an agenda focussed more explicitly on the problems of internal economy, but for his part he had no quarrel with our suggestions as to how the emphasis of the conference discussions should be distributed.

3. I said that I had privately been rather worried by the light-hearted way in which his government had proposed a Commonwealth conference to consider questions on which, with all the good will in the world, it would be difficult at this stage to make substantial progress, to which his only but not inadequate reply was: "you're telling me!" I thought some difficulties in the present preparatory stage could have been avoided if the United Kingdom Government, recognizing as I knew they did that their relations with Canada in these fields were essentially different in kind and character from their relations with members of the sterling area, had discussed privately with us the various agenda papers before broadcasting them to Commonwealth countries generally. Specifically, if we had had an opportunity of making our comments on the advance draft of the agenda papers instead of on the text that had been communicated simultaneously to all Commonwealth Governments, I was sure it would have been easier to have secured quick and general agreement. As it was, they would have to go back to all the others with revised agenda papers in which the differences in drafting would attract attention and invite argument. Butler did not dissent but said that he hoped that from now on it would be possible for their experts and ours to work together without reservations and not necessarily in the forum of full Commonwealth meetings. He had hoped that his meeting with Mr. Abbott in Mexico would have been an opportunity for initiating just such discussions, and he asked me to let our Minister of Finance know that his main if not only disappointment in not going to Mexico was that he would miss this opportunity for preliminary discussions with Mr. Abbott and our delegation. In the meantime he would be steadily on the job here trying to help shape the United Kingdom approach to the meetings, and expected that their Cabinet Committee, of which Eden is chairman, would get started next week and work pretty hard and intensively on the main lines of policy to be blocked out in advance of the September meetings. In the meantime he and his staff would be completely at our disposal, and he hoped that we would not hesitate to press home the points that seemed to us important or gave us worry.

4. I got the impression that he expected to have his own difficulties with some of his cabinet colleagues and would be glad of any reinforcement or stiffening which our representation of the general Canadian interest and viewpoint could give himm. My general sizing up of the situation, and this is an interim answer to your telegram No. 1565 of August 15,[12] is that there is no particular need at this juncture for any public preaching from Canada about what the United Kingdom should do to be saved, but a real need for inserting privately into United Kingdom thinking a more realistic recognition of the conditions under

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[12] Non retrouvé./Not located.

which the forthcoming conference can do a little good and not positive harm. From this point of view your own visit to London in mid-September is well timed and should be helpful. By the same token I think it might be a good idea to have John Deutsch in London a few days before the preliminary official meetings begin on September 22.[13]

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586. DEA/50123-40

Le haut-commissaire au Royaume-Uni
au secrétaire d'État aux Affaires extérieures

High Commissioner in United Kingdom
to Secretary of State for External Affairs

TELEGRAM 1846 London, August 28, 1952

SECRET. IMPORTANT.

COMMONWEALTH ECONOMIC CONFERENCE AGENDA

Reference: Our telegrams Nos. 1796 of August 20 and 1818 of August 22.

1. Couillard[14] has been pressing the proposed Canadian amendments on United Kingdom officials, and until yesterday was hopeful that they would be ready to recommend their acceptance in toto. This morning, however, when he and I saw Liesching it became clear that United Kingdom officials, in the absence of ministers, did not feel they could go beyond undertaking to recommend the draft reply to the Canadian aide memoire that is quoted in my immediately following telegram. If this redraft of the agenda, which represents a pretty substantial effort to meet our viewpoint, is likely to be acceptable to Canada, they will make every effort to get it approved by their ministers. Nothing will be circulated to other Commonwealth countries until after they have had our further views.

2. Liesching insisted that the United Kingdom, for their part, would be ready to accept our amendments as they stood. Their main difficulty was one of presentation of an agenda in which our proposed addition as Item 4(A) — "Domestic economic policies affecting the external position" — would be incorporated as a separate and distinct heading. The Commonwealth Relations Office are convinced that India and possibly Pakistan would baulk at this change and that its proposal would prejudice Indian participation in the meeting. They do not know what the Australian position will be.

3. You will see that section I of the redraft (this is the list of main headings which United Kingdom officials think might have to be made public at some time and was referred to as Annex A in Thomson's letter of August 5) does not include our proposed Item 4(A). On the other hand, the word "External" would be dropped in the new Item 3(A) (originally 4(A)) — "External

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[13] **Note marginale :/Marginal note:**
circulate without the last paragraph. W[ilgress]

[14] **Louis Couillard, premier secrétaire, haut-commissariat au Royaume-Uni.**
Louis Couillard, First Secretary, High Commission in United Kingdom.

financial policy". Your rewording of Item (main heading) 4 would be acceptable. The Indian suggestion to group and redraft Items (headings) 1 and 2 has also been incorporated.

4. As for Section II of the agenda (Annex B of Thomson's letter), all of the Canadian amendments would be accepted *except* our proposed Item 4(A). The question of internal policies would be brought within the scope of the agenda, not only in the first or main headings agenda (through the deletion of the word "External" in new Item 3(A)), but also in the explanatory language which you proposed and which would be accepted under Item I ("Internal causes"), as well as in Item 4 which envisages discussion of responsibilities of debtor countries.

5. The difficulties of presentation referred to in paragraph 2 are essentially political. They relate to what the United Kingdom officials feel certain the Indian reaction to our proposed 4(A) would be; Mr. Nehru is personally sensitive about being "forced" into discussion of his internal economic policies and would be sure to have almost overriding fears of the political repercussions in India should it become known that he had agreed to an agenda including 4(A).

6. I was not in a position to challenge the United Kingdom assessment of the risks involved and the possible effect on the level of Indian participation in the conference; they certainly attach a good deal of importance to having Deshmukh, the Indian Minister of Finance, attend the conference himself. Sir Raghavan Pillai, who was in London last week, appears to have privately confirmed their assessment of Indian susceptibilities. Liesching saw similar difficulties, although he was not as emphatic, as regards Pakistan.

7. The Australian comments on the original United Kingdom draft are still awaited. The Commonwealth Relations Office have told us in confidence, however, that Roland Wilson[15] was in the process of telling the United Kingdom representative in Canberra that the original United Kingdom draft agenda was acceptable to Australia when the report of the Barkway article[16] in the Observer reached him. He then said that, in view of this news of the Canadian attitude, he would have to take their draft reply to Prime Minister Menzies.

8. I should think this redraft, if thought tolerable in Canada, would be accepted by United Kingdom ministers and commended to the other Commonwealth governments. In all the circumstances, and particularly if the Canadian contribution to the discussions of the conference is to be directed pretty exclusively toward Item 1, I doubt whether we would make progress by insisting on further drafting changes at this time. As suggested in the final paragraph of the United Kingdom aide memoire, another and perhaps better

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[15] Sir Roland Wilson, sous-ministre des Finances de l'Australie.
Sir Roland Wilson, Secretary of Treasury of Australia.

[16] Michael Barkway, «Criticism of British Draft Agenda», *London Observer*, 24 août 1952.
Michael Barkway, "Criticism of British Draft Agenda", *London Observer*, August 24, 1952.

opportunity for this will be provided by the preliminary meeting of officials next month.

587. DEA/50123-40

Le haut-commissaire au Royaume-Uni
au secrétaire d'État aux Affaires extérieures

High Commissioner in United Kingdom
to Secretary of State for External Affairs

TELEGRAM 1847 London, August 28, 1952

SECRET. IMPORTANT.

COMMONWEALTH ECONOMIC CONFERENCE

Reference: Our immediately preceding telegram.

Following is text of aide mémoire and its annex containing United Kingdom redraft of agenda. Begins:

Aide Mémoire

Reference is made to the aide mémoire given to Mr. Symon, Commonwealth Relations Office, by Mr. Couillard, Canada House, on the 19th August, containing the Canadian Government's views on the agenda proposed by the United Kingdom Government for the Commonwealth Economic Conference in November next.

2. The United Kingdom Government agree with the view of the Canadian Government that publication of a detailed agenda should be avoided, if this is at all possible. Past experience, however, indicates that the danger of such information becoming known to the press is so great that it is prudent to have ready the broad headings in a form on the lines of section I of the annex to this aide mémoire which might be available for publication if all governments agree. This was the consideration which prompted the United Kingdom Government to prepare the agenda in two sections, viz. section I under broad headings, in a form which *might* by agreement be published, and section II supplementary secret information which would not be divulged outside official circles.

3. The present position is that the agenda circulated by the United Kingdom Government has been accepted by the Governments of New Zealand, South Africa, Pakistan and Ceylon; the Government of India have proposed one amendment and the Government of Southern Rhodesia have suggested two possible additions. Final comments from the Australian Government are still awaited.

4. The United Kingdom Government have considered most carefully the amendments proposed by the Canadian Government, together with the comments received from other Commownealth governments. For their part, the United Kingdom Government are ready, with one important exception, to accept the amendments proposed by the Canadian Government. Difficulty

arises regarding the Canadian Government's proposal to amend paragraph 4 of the main items of the agenda to include "domestic economic policy" as a separate and distinct heading. As the Canadian Government are aware, it has been explained to other Commonwealth governments (by United Kingdom High Commissioners) that the United Kingdom Government, so far from excluding discussion of internal economic policy, "hope that the scope of the conference will be the whole field of external economic policy and of internal economic policy so far as it has repercussions on external policy." The United Kingdom Government's readiness to engage in such overall discussion was reiterated by the Chancellor of the Exchequer in his discussion with Mr. Norman Robertson on 20th August. In the absence of comment on this point from other Commonwealth governments, the United Kingdom Government must assume that they also are prepared to engage in such discussion. But in view of the possibility of publicity being given to this section of the agenda, the United Kingdom Government fear that the Canadian Government's amendment to include domestic policy as a separate item would create substantial political embarrassment for certain Commonwealth governments. They feel that the Canadian Government will be with them in desiring to avoid such embarrassment. In the hope, therefore, of securing the agreement of all Commonwealth governments, they would urge the Canadian Government to accept a redraft on the lines set out in the annex to this note. The United Kingdom Government consider that it should be open to Commonwealth officials at their meetings in London beginning on 22nd September, to review the agenda in the light of their deliberations and if necessary to submit revised proposals for the consideration of governments.

[ANNEXE/ANNEX]

Section I: main headings

Item 1. Review of economic developments in recent years and future prospects

Item 2. Objectives in external economic policy

Item 3. Aspects of these objectives and of the means for achieving them:

- (a) Financial policy
- (b) Economic development
- (c) Trade policy
- (d) Commodity policy
- (e) International institutions

Item 4. Co-operation with other countries

Item 5. The short-term balance of payments prospects of the sterling area, and policy for 1953

Section II: supplementary information

The secret supplementary explanation under the main items of the agenda would be as follows:

Item 1

Review of economic developments in recent years and future prospects

This would review recent trade and payments developments and objectives and would analyse the external causes and the internal causes of the difficulties encountered by Commonwealth countries. It would include consideration of the assumptions underlying postwar agreements such as the IMF and GATT and the extent to which subsequent events and policies have affected the validity of those assumptions. It would also deal with the extent to which the unsatisfactory features of the world economy in recent years and particularly the payments difficulties are likely to persist and the extent to which they might be alleviated by the adoption of appropriate policies by the countries concerned.

Item 2

Objectives in external economic policy

This would attempt to determine the external objectives of economic policy, taking as a start the statement issued at the conclusion of the Commonwealth Finance Ministers' meeting in January 1952.

Item 3

Aspects of these objectives and of the means for achieving them

(a) (b) and (c) would continue the examination of the issues considered in a preliminary way at the Commonwealth Finance Ministers' meeting and in the interim report of the Commonwealth Working Parties on convertibility and development.

(c)would also involve discussion of the steps that Commonwealth governments might take to achieve their objectives including among other things the effect of preferences and quantitative restrictions.

(d)would discuss means of creating greater stability in trade in primary commodities but would not involve an attempt to work out detailed plans for particular commodities.

(e)would be concerned with the role of international institutions such as the IMF and GATT, taking account of items 1 and 2 above.

Item 4

Cooperation with other countries

This would be concerned with the desirability of achieving more effective international cooperation, particularly with the United States and OEEC countries, and with the responsibiities of debtor and creditor countries respectively.

Item 5

The short-term balance of payments prospects of the sterling area, and policy for 1953

This would be an examination of immediate problems on the lines of that normally carried out at meetings of Commonwealth Finance Ministers. Ends.

588. DEA/50123-40

Le secrétaire d'État aux Affaires extérieures
au haut-commissaire au Royaume-Uni

Secretary of State for External Affairs
to High Commissioner in United Kingdom

TELEGRAM 1645 Ottawa, September 1, 1952

CONFIDENTIAL. SECRET. IMPORTANT.

COMMONWEALTH ECONOMIC CONFERENCE AGENDA

Reference: Your telegrams Nos. 1846 and 1847 of August 28, 1952.

The proposals in the United Kingdom Aide Memoire and annex, reported in your telegram 1847, have now been considered by the Ministers concerned, including the Prime Minister. You may, accordingly, inform the United Kingdom Government that this revised version of the agenda and explanatory memorandum is acceptable to the Canadian Government. In this connection it is understood that, as observed in the last paragraph of the Aide Memoire, it will be open to the officials at their meetings beginning on September 22 to review the agenda in the light of their deliberations, and, if necessary, to submit revised proposals for the consideration of Governments.

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589. DEA/50123-40

Le secrétaire d'État aux Affaires extérieures
au haut-commissaire au Royaume-Uni

Secretary of State for External Affairs
to High Commissioner in United Kingdom

TELEGRAM 1646 Ottawa, September 2, 1952

CONFIDENTIAL

DELEGATION TO MEETING OF OFFICIALS PREPARATORY TO COMMONWEALTH ECONOMIC CONFERENCE

An announcement to the press is being released today regarding the composition of our delegation to the meeting of officials preparatory to the Commonwealth Economic Conference. This announcement reads as follows. Announcement Begins:

"It was announced today that the delegation to the meeting of officials, which is being convened in London on September 22nd to prepare for the Commonwealth Economic Conference, will be headed by Mr. N.A. Robertson, High Commissioner for Canada in the United Kingdom.

The officials who will be going from Canada to attend the meeting are: Mr. W.F. Bull, Deputy Minister of Trade and Commerce; Mr. J.J. Deutsch, Director of the Economic Relations Division, Department of Finance, Mr.

Louis Rasminsky, Bank of Canada; and Mr. D.V. LePan, Department of External Affairs.

The delegation will also be assisted by Mr. J.F. Parkinson and Mr. L. Couillard of the Office of the High Commissioner for Canada, London." Announcement ends. Ends.

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590. DEA/50123-40

Le secrétaire d'État aux Affaires extérieures
au haut-commissaire au Royaume-Uni
Secretary of State for External Affairs
to High Commissioner in United Kingdom

TELEGRAM 1647 Ottawa, September 2, 1952

CONFIDENTIAL

DELEGATION TO MEETING OF OFFICIALS PREPARATORY TO COMMONWEALTH ECONOMIC CONFERENCE

Reference: My Telegram No. 1646, Sept. 2.

Following Personal for Robertson from Wilgress.

You will have seen from Telegram No. 1646 giving the text of the press announcement of the composition of our delegation to the meeting of officials preparatory to the Commonwealth Economic Conference, that it is the wish of the Government that you should head the delegation.

It was the special wish of the Prime Minister that you should undertake this responsibility. I know from experience how difficult it is for a High Commissioner to participate in discussions on the official level. In your case, however, the difficulties will be considerably lessened by the close personal relations which you have with the United Kingdom officials concerned. Moreover, once the meeting gets underway there should be ample opportunity for a free exchange of views with all members of the delegation having an opportunity to participate. This will give Deutsch, who will be the most familiar with the official thinking here, ample opportunity to express the Canadian point of view. I trust therefore that you will have no misgivings upon accepting this added responsibility to your many other duties. Ends.

591. PCO

Note du secrétaire adjoint du Cabinet pour le premier ministre

Memorandum from Assistant Secretary to Cabinet to Prime Minister

SECRET Ottawa, September 10, 1952

COMMONWEALTH ECONOMIC CONFERENCE

You will recall that, at the informal meeting of Ministers on August 26th, the general lines of the policy to be followed by Canada at the Commonwealth Economic Conference were approved and it was agreed that a draft paper should be prepared for possible submission by us to the Conference. It was also agreed that the draft should be ready for consideration by the Cabinet at its meeting on September 13th, in order that it might, if approved, be made available to the representatives of the other governments at the meeting of officials, opening on September 22nd. A draft has now been prepared and approved by the members of the Interdepartmental Committee on External Trade Policy. It will be an item for the agenda of the Cabinet on Saturday.

As the paper is quite long, Mr. Pickersgill suggested that I might send it to you in Toronto, in the hope that you would have an opportunity to read it in the course of your journey. A copy of the Cabinet document, including the draft, is accordingly attached herewith.†

Mr. Pickersgill informed me, by telephone on August 31st, that you agreed that Canada should accept the revised agenda for the Conference, subject to the understanding that further discussion would be possible at the meeting of officials. Information to this effect was sent to the High Commissioner in London on September 1st. I have today received a letter from the Deputy High Commissioner for the United Kingdom setting forth the agenda precisely as we agreed to it. Mr. Thomson stated orally that it had been passed by all the Commonwealth governments and that it would now stand, subject to further consideration at the meeting of officials.

R.G. R[OBERTSON]

592. DEA/50123-40

Note du secrétaire adjoint du Cabinet pour la Direction économique

Memorandum from Assistant Secretary to Cabinet to Economic Division

SECRET. IMMEDIATE. Ottawa, September 19, 1952

Mr. [A.E.] Ritchie,

Attached is one copy of the statement of Canadian views for submission to the Commonwealth Economic Conference as finally revised and cleared with the Prime Minister.[17]

R.G. R[OBERTSON]

[PIÈCE JOINTE/ENCLOSURE]

DEA/50123-40

Déclaration révisée des vues

Revised Statement of Views

SECRET [Ottawa, n.d.]

COMMONWEALTH ECONOMIC CONFERENCE

Agenda Item 1. Review of economic developments in recent years and future prospects

Agenda Item 2. Objectives in external economic policy.

Statement of Canadian views

1. The Canadian Government welcomes the opportunity presented by this conference of discussing with fellow members of the Commonwealth some of the major economic problems which are confronting us all. We have followed with sympathetic anxiety the emergence since 1951 of fresh balance of payments difficulties in many of the Sterling Area countries. Though Canada is not a member of the Sterling Area, our close ties with the United Kingdom and the other members of the Commonwealth inevitably make us feel great concern at any adverse turn in their fortunes. Canada is anxious to play a constructive part in finding a solution to the Sterling Area's difficulties. We

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[17] Le 13 septembre, le Cabinet a examiné le projet de déclaration préparé par le Comité interministériel de la politique sur le commerce extérieur et a demandé qu'il soit remanié. Le document a été soumis une deuxième fois le 17 septembre, et le Cabinet l'a approuvé sous réserve que de nouvelles corrections lui soient apportées et que le premier ministre puisse l'examiner une dernière fois.
The draft statement, prepared by the Interdepartmental Committee on External Trade Policy, was considered by Cabinet on September 13 at which time revisions were requested. The statement was resubmitted on September 17. Cabinet then approved the document subject to further revisions and final consideration by the Prime Minister.

share with all parts of the Commonwealth a vital interest in seeing sterling again a strong and truly international currency.

2. The present statement does not cover Canadian developments, but is devoted to a review of the Sterling Area's position as seen through Canadian eyes. No doubt the representatives of Sterling Area countries will, in the course of these discussions, wish to make some observations on Canadian policies as seen through their eyes. If so, we shall be glad at any time to review the Canadian economic situation and touch upon some of our principal problems. We believe that it is in this way, through a frank exchange of views, that the countries of the Commonwealth can help each other to overcome their difficulties and attain their common objectives.

3. Although seven years have passed since the end of the war the goal of a satisfactory system of international economic relations is still far from attainment. There is common agreement that the far-reaching dislocations caused by the war, the subsequent political tensions, the outbreak of hostilities in Korea and elsewhere, and the need for substantially increased defence efforts have greatly intensified the difficulties. In attempting to diagnose the fundamental causes of the persistent financial problems, these special features of the post-war period, and particularly the heavy burden of rearmament, have to be fully recognized. Allowance for these features should not, however, divert attention from other factors which may be of underlying importance.

4. The war and its aftermath presented all Sterling Area countries with major problems of adjustment. The impact on the international financial and trading position of the United Kingdom was particularly severe. In financing its war effort the United Kingdom liquidated a large part of its foreign investments, and accumulated substantial debts in paying for its requirements from overseas countries. The physical damage to plant and equipment, the loss of shipping, and the depletion of capital assets, adversely affected the capacity of the United Kingdom to produce and to export. Normal channels of trade were disrupted and had to be re-established. In short, the United Kingdom emerged from the war with heavy new commitments abroad, with a vast reconstruction problem at home, and with a substantially reduced capacity to earn foreign exchange required to cover these increased needs. In recent years the problem of making ends meet has been further aggravated by the need to devote a substantial share of the national output to defence purposes. It was clear that these changed circumstances of the United Kingdom would require major adjustments, both in the structure of its economy and in its external economic relations.

5. The traditionally close economic relationships between the United Kingdom and other members of the Sterling Area meant that these countries would be directly affected by the adjustments. The new[ly] independent members of the Commonwealth in Asia were faced with special problems and needs arising out of their changed status. The members of the Commonwealth were also confronted with new and pressing needs relating to recovery, development and population growth.

6. In these circumstances extraordinary efforts and special measures were required if the United Kingdom and its partners in the Sterling Area were to succeed in building up their production and exports to the level required to meet their urgent needs. It was generally recognized that during the period of adjustment the United Kingdom and other countries in similar circumstances would not be in a position to remove the wartime controls on trade and payments. Accordingly, while the objectives of currency convertibility and non-discrimination were adopted, the international agreements incorporating these objectives, notably the International Monetary Fund and the General Agreement on Tariffs and Trade, contemplated considerable freedom in the use of trade and exchange controls in a transitional period.

7. External financial assistance was also clearly necessary if the job of reconstruction was to be accomplished in a reasonable period of time and the basic economic health of the war-damaged countries restored. The United States and Canada, which were more fortunately placed, provided substantial assistance for this purpose in the form of loans and grants. The Financial Agreement of 1946, between Canada and the United Kingdom, was designed to help the United Kingdom recover from the war and also to help re-establish multilateral trade, which was the mutually desired objective of the two governments.

8. While the wounds of war have not been altogether healed and while there has been some permanent loss in real income from overseas investments, there has been an impressive recovery in production and in the export trade of the United Kingdom and other Sterling Area countries. In the case of the United Kingdom, statistics indicate that the 1951 total industrial production was 45% higher than in 1946, and 39% higher than in 1938. Exports in 1951 were 82% greater in physical volume than in either 1946 or 1938. Comparing the year 1938 with the six month period ending March 1952, on the basis of annual rates, the rise in the value of exports was from $2,750 million to $8,300 million for the United Kingdom and from just under $3,000 million to over $10,000 million for the rest of the Sterling Area.

9. It is apparent that this remarkable recovery has not been accompanied by a corresponding improvement in the external financial position of the United Kingdom and the Sterling Area. The difficulties respecting the balance of payments appear as pronounced as ever, both from an overall point of view and in their regional aspects. For the years 1946 to 1951 inclusive, the United Kingdom and five other independent Sterling Area countries had aggregate current account deficits of £2,700 million. These were offset to the extent of £700 million by the net surpluses of the colonies and the remaining independent Sterling Area countries, leaving an overall current account deficit of £2,000 million. Of this total deficit some £650 million occurred in 1951. The Sterling Area's gold and dollar reserves are now lower than they were at the end of 1943. Throughout the post-war period relatively small disturbances of external origin have produced major swings in the Sterling Area's balance of payments position and its foreign exchange reserves. The persistence of the exchange problem and the deep fluctuations in the balance of payments position of the

Sterling Area, indicating difficulty in making adjustments to the pattern and volume of world demand, suggest that there may be more fundamental and deep-rooted causes of the problem than can be traced to any lack of recovery in total production.

10. The deterioration in the post-war terms of trade of the United Kingdom as compared with the nineteen thirties, has aggravated its overall payments problems and made the necessary adjustments more difficult. It must be recognized, however, that the terms of trade during the thirties were abnormally favourable of countries exporting manufactured goods. For the primary producers of the Sterling Area the effect of this movement in the terms of trade has on balance been favourable as compared with pre-war. From the point of view of the Sterling Area as a whole in its relations with the rest of the world, the shift in the terms of trade in the post-war period does not appear to have been a fundamental factor affecting the area's external balance, even though there have been pronounced short-term fluctuations which had temporary effects on the central reserves.

11. In the search for the reasons why the Sterling Area's balance of payments difficulties have persisted, it is sometimes suggested that greater progress has not been possible because of inadequacies in the policies of creditor countries, particularly the United States. In this respect it is said that the creditor countries cannot be depended upon to maintain a high and stable level of economic activity and demand, that they have failed to open their markets sufficiently to imports and that they have not provided an adequate flow of foreign investment.

12. The fact is that the levels of employment and production in the United States and Canada since the war have been high and have risen almost uninterruptedly, except for relatively minor adjustments which took place in the United States in 1949. In 1951 the United States index of industrial production was 219, and the Canadian index 212, on a 1935-39 base. In this regard it is difficult to envisage more favourable conditions than have actually prevailed in the post-war period. For the future it is relevant that the North American economies are expanding rapidly and there is good ground for believing that they have the means and the will to avoid deep or prolonged slumps. This is not to say, however, that the United States and other major trading countries will not be subject to moderate fluctuations from time to time. Such fluctuations are often inseparable from economic progress in a dynamic and progressive economy.

13. It is said that the dollar countries are not pursuing policies in the field of tariffs and commercial relations appropriate to the size of their export surplus with the non-dollar world. In this regard the experience of Sterling Area sales in the Canadian market might be examined as an indication of the extent to which this has actually been a major determining factor in the post-war period. Throughout this period Canada has provided one of the largest and most rapidly growing markets for imports. In 1951 the value of Canada's imports was approximately six times as great as in 1938; the volume has increased nearly two and one half times. Tariffs have been progressively reduced, and

their level, particularly with respect to imports from Commonwealth countries, is among the lowest in the world. With the exception of certain dairy products there are no quantitative restrictions on imports into Canada and many British goods enjoy tariff preferences in the Canadian market.

14. It is perhaps significant that in circumstances which favour imports from Commonwealth countries the proportion of imports from this source should be substantially lower than before the war. In 1938, 17% of Canada's imports came from the United Kingdom and a further 10% from other Commonwealth countries. In 1946, largely because of the war, these proportions had each declined to 7%. By 1951 some improvement was shown, with the United Kingdom supplying 10% and the rest of the Commonwealth 8%. If in that year the Sterling Area had been able to supply the same proportion of Canada's imports as before the war, the Area's dollar earnings would have been $350,000,000 greater than they were. The failure to recover the pre-war share of the Canadian market suggests that circumstances were present, other than any general lack of opportunities, which interfered with the efforts to take full advantage of this important dollar market.

15. The United States has traditionally been a much more difficult market for Sterling Area goods than Canada. Despite significant tariff reductions since the war, the efforts of the United States to encourage imports cannot be regarded as having gone far enough, having in mind its responsibilities as the world's greatest creditor nation. Undoubtedly more constructive and vigorous efforts to remove United States trade barriers would have created additional opportunities for Sterling Area goods in that market. However, the experience of the sterling countries in the generally more receptive Canadian market, and in other third markets, raises the question as to how far additional opportunities would have resulted in a substantial increase in Sterling Area exports to the United States.

16. Over the years international capital movements have been an important balancing factor in world trade and payments. The record of private capital movement since the war has been disappointing. However, the failure of private investment to play its traditional role appears to have been as much a consequence as a cause of the whole complex of trade and financial imbalance in the post-war period. In assessing the effect of an inadequate flow of private capital, consideration must be given to the substantial movements of public capital which have taken place. In the post-war period Sterling Area countries have received in the neighbourhood of $8,000 million in the form of loans, grants, and advances from the United States and Canada and from international institutions. While they have not taken the traditional forms, there have in fact been massive international financial transfers in this period which have served as an important balancing force in world trade and payments. However, the inadequate movements of private capital across most international boundaries is one of the important financial problems to which increasing attention needs to be directed.

17. The problems inherited from the war, the movements in the terms of trade and certain inadequacies in the commercial and financial policies of the

creditor countries have contributed to Sterling Area problems and have made necessary adjustments more difficult. At the same time the nature and the persistence of the difficulties which have affected the Sterling Area suggest that a satisfactory explanation cannot be found in these factors alone. The question is inevitably raised as to whether a considerable part of the explanation for the continued disequilibrium in trade and payments must not be found in the total effect of policies pursued by countries in the Area.

18. The persistence of balance of payments difficulties so long after the end of the war, notwithstanding the increase in production and total exports, suggests strongly that the basic cause of the foreign exchange problem has been the tendency of many parts of the Sterling Area to consume and to invest in excess of the amounts available to them from their production and from investment from abroad. This was recognized in the statement issued after the January meeting of Commonwealth Finance Ministers where it was agreed that "the only way to prevent recurrent drains of the central gold reserves is for every country in the Area strenuously to endeavour to live within the means which are, or can be, available to it" and where it was also agreed that the "first and most important step" to be taken by any country in the Sterling Area likely to be in overall deficit is "to ensure that the internal economy is sound and that all possible measures are taken to combat inflation."

19. Since the end of the war the main objectives of economic policy in the sterling countries, as in most countries, including Canada, have been full employment, rising standards of living, expanding social services, economic development. These are sound objectives and are essential long-term elements of economic progress. For the Asian countries in the Commonwealth the need for accelerated progress towards some of these objectives has been particularly urgent. The attempt of the Sterling Area to push ahead rapidly on all these fronts at the same time appears, however, to have resulted in greater demands for goods and services than could be met out of available resources, particularly in view of the high priority that some Sterling Area countries have found it necessary to give to the needs of defence.

20. The ways in which excessive demand arising out of inflationary pressures may affect a country's balance of payments are well known and need not be elaborated here. Internal demand which cannot be met out of domestic production spills over into demand for imports. Potential exports are consumed at home. Pressure of excessive demand tends to push prices up and the competitive position of the country's exports in foreign markets deteriorates. If the pressure of demand is greater at home than abroad production for the domestic market becomes more profitable than production for export and resources are drawn away from the less profitable export industries. Deficits appear in the balance of payments, and if these are greater than the inflow of capital or financial aid from abroad, the exchange reserves fall.

21. This process would appear to have been at work in most Sterling Area countries, as well as elsewhere. To the extent that the excessive demand in those countries has spilt over into dollar imports, the drain on the dollar reserves has been direct. To the extent that it has increased imports from other

sterling countries it has been no less serious since it has impaired the ability of those countries to export to non-sterling countries. In an attempt to restore balance in their external accounts and to stop the drain on reserves, the Sterling Area countries imposed and later intensified restrictions of a discriminatory nature. These measures, however, would seem to have been an attempt to deal with symptoms rather than with the underlying causes of the problem. Unavoidable though the restrictions may have been as emergency measures designed to provide time for taking fundamental action, events have shown that in themselves they do not provide a solution to the problem. It has become apparent that the restrictions have certain undesirable effects on the structure of the economy which aggravate the problem and make the achievement of a lasting solution more difficult.

22. Discriminatory trade restrictions and exchange controls insulate domestic industries from foreign competition. In this way the restrictions lead to higher costs and prices, and weaken the incentives to efficiency. To the extent that this occurs, an advantage is gained by the exporters of competitive goods from other countries. Since less essential goods are a favoured target for import controls, there is a tendency for resources to be drawn away from more essential industries into the domestic production of these goods, regardless of whether such industries are efficient or not.

23. The attempt to contain the balance of payments effects of inflationary pressures through import restrictions consequently tends to be self-defeating. The effects of the misdirection of resources naturally take time to work their way through the economic system. For a while their consequences may be concealed by the availability of foreign balances or foreign assistance to cover the external deficits to which the misdirection of resources contributes. An illustration of the way in which this process works itself out may well be provided by the failure of the production of many primary products in non-dollar countries to rise above the pre-war level, let alone to keep pace with the rising demands for these products resulting from the growth in population and the expansion of industrial production. Available evidence indicates that the level of food crop production outside North America must have been less than before the war. It is clear too that in the case of many raw materials the expansion in Sterling Area output has been much less than might have been expected in view of the strong world-wide demand for such commodities.

24. No doubt there are special reasons to explain the failure of the output of individual primary commodities to expand in particular countries. It does appear, however, that one important general factor has been the diversion of productive resources away from primary industries which have to face world competition to the production of manufactured goods, in many cases of a non-essential type, which are protected from world competition by import restrictions. The long-term consequences of these developments appear to be serious. With capital resources scarce, the countries concerned can ill afford to have capital misdirected and to weaken the basic structure of their economies through a decline in their output of the staple primary products they must sell abroad to meet their essential import requirements. From the point of view of

the Sterling Area as a whole, the failure of basic production to keep up with growing demand and population has meant continued shortages and perpetuation of balance of payments difficulties.

25. The Sterling Area stands in great need of additional capital resources to permit the member countries to take advantage of their opportunities to increase output and raise their standard of living. The need is general but is particularly keenly felt in those parts of the Area which are economically less highly developed. The United Kingdom has since the end of the war exported capital to these countries on a large scale. In so doing it has made a notable contribution to their economic development and stability. It is understood that the net outflow of private capital from the United Kingdom to the rest of the Sterling Area from 1946 through 1951 exceeded £850 million. There was also a substantial reduction in the sterling balance of certain Sterling Area countries but this was more than offset by a rise in the balances of others. Some of the expenditures consequent upon this flow of capital were no doubt directed to the United States and other non-sterling countries, but in the main the expenditures were made in the United Kingdom and the capital export involved the use of its resources of manpower and materials. The strain on the United Kingdom economy produced in this way should not be underestimated. It was eased in part by the financial assistance from the United States and Canada. With outside assistance no longer available on the scale of former years, the United Kingdom has indicated its inability to continue to support a heavy burden of capital exports to other sterling area countries.

26. In the light of the continued need of many parts of the Sterling Area for outside capital to assist in their economic development, particularly in expanding the production of primary products, an important question which would seem to require attention is how to attract outside capital into the Sterling Area. In any assessment of the virtues and demerits of present policies, both internal and external, this question is one of great importance. The only source of external capital on the scale required is the United States. Unfortunately, the inconvertibility of sterling, and the controls on trade and payments, add to the difficulties of the sterling countries in attracting private capital from outside the Area.

27. At the present time the principal choice which would appear to lie before the Sterling Area countries is whether, in the further development of the policies designed to meet their payment problems, the major emphasis is to be placed on measures intended to increase the inherent strength of sterling or on measures to suppress the external manifestations of continued underlying weaknesses. In the past year or so an increasing emphasis has been placed on internal policies, particularly monetary policy, as a corrective of balance of payments disequilibrium. However, it would still be true to say that the Sterling Area is relying very heavily on the direct control of imports; the degree of restriction and in most cases the extent of the discrimination are more severe now than at any time since the war. Although it is recognized that a major shift in the direction of policy would involve difficulties, the question would seem to be whether the interests of the countries comprising the Sterling Area

would not best be served by such a shift. There are strong reasons for believing that they would.

28. It is clear by now that the policies of restriction and discrimination have not been successful in achieving their objective. These policies have not achieved international balance for the Sterling Area, and there is no apparent reason for supposing that further intensification would be any more successful. The policies pursued by numerous countries in recent years provide abundant evidence that import restrictions do not, in themselves, overcome the underlying difficulties. When deficits are encountered the more constructive course is to examine the export side and general economic policies to see by what means a country's earnings can be increased. When restrictive policies are pursued by many countries, they succeed only in preventing the balanced expansion of world trade from which all benefit.

29. We feel that there is a further reason for believing that a major shift in policy would be desirable in the interests of the sterling countries themselves. We fear that the combination of excessive demand and import restrictions is leading to a misdirection of resources and the encouragement of economic inefficiency. If this analysis of the situation is correct, the net result is to keep both the standard of living and the rate of economic development of the Sterling Area countries below what they would otherwise be. Although the application of policies which would flow from placing greater emphasis on internal measures might be painful and difficult in the short run, there is ground for believing that they would strengthen the economies of sterling countries, would result in more efficient and greater output, and would help to create the conditions under which public and private investment from outside the Area would be more readily available.

30. There is another reason why the Canadian Government would regret the further development of Sterling Area policies along the lines of restrictionism and discrimination and would welcome a reversal of present tendencies. To an ever-increasing extent, Canadian producers have found themselves excluded from Commonwealth markets since the end of the war, except in respect of essential materials not available from non-dollar sources. In the conditions which have prevailed in Canada and in the United States and elsewhere during the past few years the Canadian economy has managed, by and large, to adapt itself to this situation without widespread difficulty. The discrimination against Canada in sterling markets has created immediate problems of consequence only in respect of a limited number of products. Nevertheless, there is concern with the long-run effects on relations between Canada and other parts of the Commonwealth of a continuance of the present lines of policy. Opinion in Canada, while sympathetic, finds it increasingly difficult to understand the continued need, so long after the end of the war, for disruption of traditional trade connections and persistent discrimination against Canadian exports. The Canadian Government would greatly regret seeing policies followed which over a period of time would run the risk of placing a strain on relations between Canada and other parts of the Commonwealth and, indeed, between Sterling Area members of the Commonwealth themselves. Moreover the close co-

operation and understanding between the Commonwealth and the United States which is so essential for the prosperity and security of the Western world might be jeopardized by a continuation of the efforts of the Sterling Area to solve its payments problems through import restrictions and discrimination.

31. The failure of individual countries to solve their exchange problems has sometimes led them to seek a solution through a tightening of regional trade and payments arrangements. Post-war experience has shown that in the absence of appropriate internal policies such arrangements do not provide a satisfactory and lasting answer to the exchange problems of the region as a whole or of individual members of it. Regional arrangements may make it possible for some members to ease their own problems for a short time by drawing on the resources of other members of the group, temporarily relieving them of the need for taking the necessary fundamental corrective measures. In effect a mechanism is provided whereby inflation experienced in one country is spread throughout the area. In this way the difficulties are aggravated and the underlying problems are obscured.

32. An effective programme to correct the underlying causes of imbalance is a prerequisite to a successful restoration of currency convertibility and the removal of discrimination. An artificial and precarious balance, sustained by the continued use of trade and exchange restrictions, cannot be regarded as adequate. The advantages implicit in a fully convertible currency — access to all world markets and sources of supply, increased productive efficiency, the enforced regard to internal financial stability — would in fact be negated by the effects of the restrictions.

33. One of the more important lessons learned from the experience since the war is that international co-operation can only be effective if nations are prepared to accept a share of responsibility in the common effort. In the economic field, North American co-operation made a significant contribution to the successful restoration of the economies of the war-damaged countries. Yet action taken by the United States and Canada was only a supplement to the major efforts made by those countries themselves to expand production.

34. This paper has indicated reasons for believing that the present situation holds serious elements of danger. In these circumstances there is clearly scope for further co-operation among all countries affected, including the United States and Canada. Such co-operative action cannot, however, be a substitute for measures to arrest and reverse the present tendencies which are obviously the responsibility of national governments and which they alone can initiate and carry out. It would be the earnest desire of the Canadian government to seek effective means of supplementing such measures to assist in achieving true international balance on a basis which recognizes fully the responsibilities of all countries.

593. DEA/50123-40

Rapport de la réunion préparatoire de la Conférence économique du Commonwealth

Report of Preparatory Meeting of Commonwealth Economic Conference

TOP SECRET Ottawa, November 3, 1952

REPORT MADE TO MINISTERS, AT A MEETING IN THE
PRIVY COUNCIL CHAMBER ON FRIDAY, OCTOBER 31ST, 1952,
BY OFFICIALS WHO WERE PRESENT IN LONDON AT THE
PREPARATORY MEETING OF THE COMMONWEALTH ECONOMIC CONFERENCE

Present

The Prime Minister (Mr. St. Laurent)
The Minister of Trade and Commerce (Mr. Howe)
The Minister of Agriculture (Mr. Gardiner)
The Minister of National Defence (Mr. Claxton)
The Minister of Finance (Mr. Abbott)
The Secretary of State for External Affairs (Mr. Pearson)
The Minister of Justice (Mr. Garson)
The Secretary to the Cabinet and Clerk of the Privy Council (Mr. Pickersgill)
Mr. W.C. Clark, Deputy Minister of Finance
Mr. Dana Wilgress, Under-Secretary of State for External Affairs
Mr. W.F. Bull, Deputy Minister of Trade and Commerce
Mr. Graham Towers, Governor of the Bank of Canada
Mr. J.J. Deutsch, Department of Finance
Mr. L. Rasminsky, Bank of Canada
Mr. W.R. Martin, Privy Council Office

1. *Mr. Deutsch* summarized the Report on Finance and Trade prepared at the conclusion of the Preparatory Meeting of officials for the Commonwealth Econmic Conference. (Commonwealth Economic Conference, Preparatory Meeting of Officials, Report on Finance and Trade, C.E.C. (O) (H.D.) (52) 1 (Final) 15th October, 1952.)[†]

He pointed out that when the meetings began none of the delegations except Canada's and the United Kingdom's appeared to have carried out much preparation. Canada and the United Kingdom presented submissions to the meeting and the United Kingdom presented certain proposals for discussion only. United Kingdom Ministers were not committed to the proposals and United Kingdom officials had no authority to alter them in the course of the discussions. Essentially they contained a scheme for a limited convertibility of sterling and for the gradual removal of quantitative restrictions on a collective basis.

The scheme included:

(1) Plans to make sterling convertible for non-residents of the sterling area although the payment of sterling to non-residents would continue to be controlled through exchange control and the operation of import restrictions.

(2) A progressive removal of quantitative restrictions on imports into the sterling area. The process would apply in the first instance as between soft

currency countries, viz., Western European nations and countries in the sterling area. At a later stage restrictions against the dollar area would be removed first for Canada and then for the United States. The reason advanced for the removal of restrictions by these stages was to reduce the risks of the operation and because of the so-called "persistent creditor" position of the United States. United Kingdom officials maintained that so long as the United States continued to have a surplus in her balance of payments not financed by investment abroad it would not be possible to remove restrictions against that nation.

It was further proposed that the United States assist in the convertibility operation by providing a considerable sum of money to establish an exchange stabilization fund. Although not actually suggested there would in practice be an implication that Canada would also be expected to make a contribution to such a fund.

The fund would be managed by a small group of nations ("the nuclear group") composed of the United Kingdom, United States, Canada, France, Belgium and the Netherlands. This group would also form the initiating body for carrying out the plan and it was hoped that other European nations would be enlisted to further the general plan. This group also would constitute the forum for consultation on international economic matters and for the reconciliation of policies as between debtor and creditor countries.

The collective approach also presupposed the adoption by the United States of good creditor policies, viz., the liberalization of its commercial practices including a reduction of tariffs and a revision of customs procedures and measures to increase foreign lending. The debtor countries on the other hand would agree to make their currencies convertible for non-residents and remove import restrictions by progressive steps. To help reduce the risks involved it was proposed that sterling should be made convertible for non-residents of the sterling area on the basis of a flexible exchange rate.

The successful carrying out of such a scheme involved primarily the adoption of appropriate and adequate internal policies in the sterling area countries to deal with inflationary pressures and to make the prices and delivery dates of their products competitive with other countries and particularly with those of the dollar area.

Another element included in the United Kingdom proposal was the revision of the G.A.T.T. provisions to eliminate the "no new preference rule."

2. *Mr. Deutsch* said the proponents of the United Kingdom proposal felt that this was a favourable time for proceeding with convertibility plans because there were now no dangerously large sterling balances outside of the sterling area, and that in any event sterling was already being converted to an increasing degree by non-residents through the "cheap" sterling markets and various other devices. They felt that the continuation of the existing arrangements would lead to a progressive deterioration in the position of sterling and that the maintenance of inconvertibility would not in any case provide an escape from adequate internal policies. The United Kingdom

officials also felt that the coming of a new administration in the United States, the fact that existing American Foreign Aid Programmes were now being reviewed and that the Reciprocal Trade Agreement Act ran out in June 1953 made this an opportune time to approach the United States authorities.

The Canadian delegation expressed the view:

(a) That as the success of the proposal was so dependent upon the co-operation of the United States it would not be a practical course to label her from the outset as a "persistent creditor", and to maintain discrimination against her while at the same time asking the United States to provide the exchange stabilization fund and to liberalize her trade policy. Furthermore, it could not be shown in logic that the surplus in the United States balance of payments was solely the fault of the United States.

(b) The proposal to alter GATT in order to permit the development of new imperial preferences was neither a necessary nor a practical element in the scheme. This would only antagonize the United States and in any event the scope for enlarged preferences within the Commonwealth was not great. In this view the Canadian delegation was supported by all other delegations present except Southern Rhodesia.

(c) That even if it were only a small beginning some removal of restrictions against Canada should commence at the same time as the restrictions against soft currency nations began to be eliminated. It would not be satisfactory for discrimination against Canada to continue unabated until after all restrictions with the soft currency had been completely removed.

The Indian delegation did not approve of the management of the stabilization fund and the determination of international economic policy by a few European countries and Canada and the United States. These are the NATO powers, and with the exception of Canada are also the principal colonial powers.

In the light of the objections raised by the Asian members of the Commonwealth to the proposed "nuclear" group and because of the difficulties which, in all probability, would arise in the United States if a request were made for additional financial requirements for a fund outside the International Monetary Fund, the Canadian delegation suggested for consideration an alternative course, viz., that which is set out in paragraph 34 of the Report on Finance and Trade.[19]

3. *Mr. Pearson* thought it would be advisable to find out what the reaction of other Commonwealth countries to the United Kingdom proposals would be. In this connection he pointed out it has become apparent at the present meetings

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[19] Ceci entraînerait l'utilisation des fonds déjà déposés dans le FMI, de nouvelles ententes bilatérales de crédit si cela s'avérait nécessaire, la disponibilité de fonds de transition automatiques du FMI pour les besoins normaux de la gestion, et la création d'un comité mixte FMI-GATT pour discuter de problèmes financiers, commerciaux et autres.
This would involve the use of resources already in the IMF, further bilateral credit arrangements if required, availability of automatic standby funds from the IMF for normal management requirements, and the establishment of a joint IMF-GATT committee to discuss finance, trade and related problems.

of the United Nations that relations between some members of the Commowealth, e.g. between India and Pakistan on the one hand and South Africa on the other are becoming increasingly bitter because of racial difficulties and South Africa's repressive legislation.

4. *Mr. Deutsch* felt that there were three possible alternatives regarding what the United Kingdom government might propose at the meeting of the Prime Ministers in November:

(1) Modify their present proposals to meet the objections raised in the discussions concerning the elimination of the "no new preference rule", the labeliing of the United States as a "persistent creditor", continuance of discrimination against Canada, and subordination of the IMF and GATT and the composition of "nuclear group".

(2) Put forward their original proposals for discussion without commitment, to be followed, if agreed, by discussions with the United States.

(3) Decide that they cannot agree to undertake the proposals suggested and that they would continue substantially their present policies, and at the same time probably ask for a modification of the preference rules under GATT.

5. *Mr. Abbott* felt that if the first course were adopted the Canadian government should be agreeable provided that a beginning, even if small, were made at the outset to remove discrimination against Canada. He added that it would be necessary to revise certain rules of the IMF and that this would have to receive the sanction of the various governments involved, principally the United States. It would, however, be for the United Kingdom to decide whether she would be able to carry out adequately the internal policies which would be necessary.

6. *Mr. Pearson* felt that it would be advisable for Canada to prepare a scheme along the lines suggested by the Canadian officials and embodying any other points that had been raised and have it available for use if necessary in November.

7. *Mr. Deutsch* indicated that the United States authorities in London had been given a general description of some of the principal matters discussed at the meetings, and that they were, in fact, aware of some of the main details of the plan but this had not received confirmation from the United Kingdom or Canadian authorities. He re-iterated the importance that was attached to the maintenance of complete secrecy regarding the nature of the United Kingdom proposals.

Mr. Deutsch also said it was not clear when they left London if the Indian Minster of Finance would attend the Conference in November and it had been suggested informally that it might be helpful if Mr. Abbott could speak to the Indian High Commissioner here in Ottawa in this connection.

J.W. PICKERSGILL

594. PCO

Note pour le Cabinet[19]

Memorandum to Cabinet[19]

TOP SECRET Ottawa, November 21, 1952

COMMONWEALTH ECONOMIC CONFERENCE
UNITED KINGDOM PROPOSALS

1. We have been informed that the United Kingdom Government has decided to place certain proposals before the Commonwealth Economic Conference as the basis for discussion. These proposals are along the lines of the "collective approach" to multilateral trade and payments which were discussed at the preliminary meeting of officials, modified in certain respects to take into account points raised during these meetings, including those raised by Canadian officials. It was emphasized that the proposals will be submitted on the understanding that no final decisions could be taken until after the discussions with the United States and the leading European countries had been completed. The United Kingdom memorandum as transmitted to Commonwealth Governments is attached as Appendix A.†

Main Features of the United Kingdom Proposals

2. The proposals are given only in bare outline and some of the main elements are not fully explained. This suggests that the position taken with respect to certain important matters is not entirely firm and clearcut. This lack of precision may have been intentional to allow for further discussion and possible modification in the details. The memorandum makes no mention of internal policies. We assume that this is because the memorandum confines itself mainly to a discussion of modifications in the original proposals. The necessity for appropriate internal policies was an important feature of the officials meetings and was highlighted in the report of those meetings. The principal features of the proposed plan and the programme for implementation appear to be as follows:

3. If after discussions at the forthcoming Conference the United Kingdom decides to pursue the "collective approach", the next step would be to enter into discussions with the United States and the leading European countries. If these discussions lead to agreement on a plan along the lines indicated and on the steps to be taken by each of the parties, the United Kingdom would be prepared to proceed with a course of action comprising two stages:

First Stage

(a) Convertibility of sterling for non-residents of the sterling area, at a flexible rate of exchange vis-à-vis the U.S. dollar.

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[19] **Note marginale :/Marginal note:**
Discussed at special meeting 22/XI/52.

(b) Continuation of existing "open-door" policy on imports from the sterling area.

(c) Some relaxation of restrictions on imports from non-sterling countries which would not, however, involve any significant additional strain on the United Kingdom's balance of payments. These relaxations would take the form of:

(i) some liberalization of imports from Europe,

(ii) some carefully limited removal of discrimination and restrictions on imports of essential raw materials and staple foods from dollar countries.

4. There is no commitment on the timing of these steps comprising the first stage. They would not, however, be undertaken before agreement had been reached on the following specific matters:

(a) Arrangements for assured access to additional dollar funds to support the convertibility operation through use of the whole of the unused portion (about $1 billion) of the United Kingdom quota in the International Monetary Fund, supplemented by either an additional standby credit made available by the I.M.F. to the United Kingdom and other countries undertaking convertibility, or by further bilateral credits. It is contemplated that the United States Government might put additional funds at the disposal of I.M.F.

(b) Undertakings by leading European countries concerning the convertibility of their currencies and import control policies respecting the sterling area.

(c) Agreements with the United States, and leading European countries on the objectives of long-term commercial and financial policies including the responsibilities of both debtors and creditors.

Second Stage

5. After an intervening period, the duration of which is uncertain, the following further steps would be taken leading toward the attainment of the long-term objectives:

(a) Determined action leading to the removal of quantitative restrictions subject to certain limited escape clauses respecting emergency balance of payments difficulties.

(b) Progressive removal of discrimination against non-sterling countries "in step with the progressive solution of the world dollar problem."

(c) The establishment of a joint I.M.F.-G.A.T.T. committee to formulate "precise long-term trade rules" which may involve the modification of some of the present provisions of the I.M.F. and G.A.T.T. It is stated that these trade rules would recognize that balance of payments problems may require appropriate action by both "creditors" and "debtors" and that a process would be provided by which "pressure could be exerted on the United States to adopt 'good creditor' policies." This committee would also constitute a continuing forum for the discussion of trade and financial problems and for the coordination of the policies of "creditors" and "debtors."

6. There is no indication in the United Kingdom proposals as to the duration of the period between the convertibility operation in the first stage and the

further steps envisaged in the second stage to remove restrictions and discrimination. The United Kingdom state, however, that they would wish to keep their hands as free as possible during this intervening period "in order to take whatever action might be best to limit the first impact of convertibility." This would involve sufficient time to obtain experience of the working of convertibility at flexible rates, to assess whatever additional strains may be involved, and take the necessary steps to overcome them. From our point of view the length of this period will depend primarily upon:

(a) the adequacy of internal measures in the sterling area countries to overcome the excess pressure of demand on their resources and in this way bring their external accounts into overall balance,

(b) the extent of the strains imposed upon the United Kingdom by capital movements to the rest of the sterling area,

(c) the progress made by the United States in pursuing "good creditor" policies.

Canadian Position

7. The United Kingdom proposals, which are described as the "collective approach" to multilateral trade and payments offer a fresh opportunity to reverse the present unsatisfactory tendencies in world trade and payments. The general direction of the proposals is encouraging. However, the steps by which they would be implemented and the conditional nature of the undertakings with respect to the removal of quantitative restrictions and discrimination raise certain fundamental questions. Convertibility of sterling is a desirable step, but in itself, unaccompanied by significant progress toward the removal of discriminatory restrictions, would have only limited direct value for Canada. The conditional and vague nature of certain of the main elements suggests, that while convertibility may be achieved, there may be an indefinite period during which the existing pattern of restrictions will be maintained. On the other hand the initiation of the scheme entails immediate and firm commitments from the outset on the part of the United States (and inferentially Canada) in the form of additional financial support and in a modification of policies in the Fund and elsewhere. Consequently before it is possible to assess the merits of the scheme as a whole it will be necessary to obtain clarification on the following matters:

(a) The extent, timing and nature of the limited relaxations of restrictions on "essential raw materials and staple foods" contemplated in the first stage of the convertibility operation.

(b) The timing and rate of progress contemplated in the progressive removal of discrimination during the second stage.

(c) The nature of the proposed emergency balance of payments escape clauses which are to be available when the long-term policy is in full operation.

8. With respect to the initial relaxations, we would wish to have more precise details of what the United Kingdom means by "essential raw materials and staple foods" and also of the extent and nature of the relaxations which other

sterling area countries would be prepared to make at the outset. This clarification is important not only from the point of view of immediate Canadian trade interests but also in respect of the ultimate workability of the whole scheme.

9. It may prove difficult to obtain more firm indications regarding the rate of progress to be achieved in the ultimate removal of discriminatory restrictions, on the ground that such relaxations would have to keep "in step with the progressive solution of the world dollar problem." In fact, the progress achieved in the removal of the so-called "dollar problem" will depend to a very substantial extent on the ability of the sterling and other non-dollar countries to put into effect internal policies which are consistent with the maintenance of equilibrium in their external accounts. The adoption by the United States of more liberal trade and lending policies which is regarded by the United Kingdom as an essential feature of the scheme, would help, of course, but this would not provide the solution in itself. In assessing the proposal as a whole, therefore, a judgment will have to be made on the likelihood that sterling area countries will be able and willing to adopt and maintain appropriate internal policies.

10. One of the difficulties in exploring these proposals further is the uncertainty as to how firmly they are supported by the United Kingdom Government itself. In this connection Mr. Robertson has indicated in a message (attached as Appendix B)[†] that, "It is my impression that the decision of the United Kingdom Cabinet to submit proposals revised to meet to some extent the views expressed in the preliminary discussions represents rather a victory for Butler and those of his colleagues who share his views. There are still some waverers, however, in the Cabinet and their acceptance of the present proposals does not mean that they are ready to fight very hard for them if their reception by the conference is on the cool side." Mr. Robertson goes on to suggest that the progress made with these proposals may depend upon the position which Canada takes from the outset of the conference.

11. In formulating the Canadian attitude, account has also to be taken of the results which are likely to follow if proposals along these lines, limited though they be, are not pursued at this time. The alternative would appear to be to continue substantially along the present course in the hope that appropriate internal policies will be instituted and made effective so that a better basis is created for real progress toward convertibility and multilateral trade. If, however, effective internal measures are not taken, there is the danger that there would be an indefinite prolongation and perhaps intensification of the existing system of restrictions leading to further separation of the dollar and non-dollar areas, which might have been avoided by the new initiatives on the part of both debtors and creditors that the collective approach itself might make possible.

12. In any event the London Conference can do no more than consider whether a set of proposals can be formulated which could provide a reasonable basis for discussion with the United States and the major European countries. Any final commitments on the part of Canada will not have to be taken until

after these discussions with the other countries concerned. We shall wish to have some discussion of the procedure to be followed in these further talks and of our relationship to them. In the course of these discussions the proposals will no doubt undergo some modification, and our final attitude will have to be decided in the light of these later developments.

Imperial Preferences

13. The United Kingdom Government state that they have noted the views expressed at the meeting of officials and would wish to go into the matter further at the conference. Mr. Robertson informs us that "British Ministers feel that they have to put forward their party position on preferences and G.A.T.T. in the meeting of Commonwealth Prime Ministers" and Mr. Robertson goes on to say that "they were a bit dismayed and shaken by the lack of support this position received from the preliminary meeting of officials, but they have, I suspect, some ground for hoping that the Ministers from New Zealand at least and perhaps Australia will be more receptive to their proposals about preferences". The Canadian views on this question, namely that this is a matter which should not be regarded as an integral part of the scheme and will be an obstacle to its acceptance, is likely to receive support from some other Commonwealth countries, particularly the countries of South-East Asia.

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595. DEA/50123-40

Rapport sur les préparatifs de la Conférence économique du Commonwealth

Report on Preparations for Commonwealth Economic Conference

No. 14 Ottawa, November 24, 1952

TOP SECRET

REPORT ON A MEETING OF MINISTERS IN THE PRIVY COUNCIL CHAMBER ON SATURDAY, NOVEMBER 22, 1952, AT 11:00 A.M. TO CONSIDER PREPARATIONS FOR THE COMMONWEALTH ECONOMIC CONFERENCE

Present

The Prime Minister (Mr. St. Laurent)
The Minister of Trade and Commerce (Mr. Howe)
The Minister of Agriculture (Mr. Gardiner)
The Minister of National Defence (Mr. Claxton)
The Minister of Finance (Mr. Abbott)
The Minister of Justice (Mr. Garson)
Mr. J.W. Pickersgill, Secretary to the Cabinet and Clerk of the Privy Council
Dr. W.C. Clark, Deputy Minister of Finance
Mr. Dana Wilgress, Under-Secretary of State for External Affairs
Mr. W.F. Bull, Deputy Minister of Trade and Commerce
Mr. Graham Towers, Governor of the Bank of Canada
Mr. L. Rasminsky, Bank of Canada
Mr. J.J. Deutsch, Department of Finance
Mr. R.G. Robertson, Privy Council Office
Mr. W.R. Martin, Privy Council Office

1. *The Minister of Finance* referred to a report by a working group concerning the United Kingdom proposals which would be placed before the Commonwealth Economic Conference. Copies of the report had been circulated.

(Report, November 21, 1952, and attached Appendix "A", United Kingdom proposals, and Appendix "B", telegram No. 2296 of November 15, 1952 from the High Commissioner in London)[†]

The two stages involved in the United Kingdom proposals were not clearly set forth in their text but were developed in the report. In the first stage, sterling would be put on a flexible rate and convertibility established for non-residents of the sterling area. The open door policy on imports from the sterling area would be continued and some relaxation of restrictions would be made which would not involve any significant additional strain on the United Kingdom's balance of payments. These would be through liberalization of imports from Europe and limited removal of restrictions on imports of essential raw materials and staple foods from the dollar countries. There was no indication as to how long this stage would last. It was clear that it would not be launched without special fund arrangements to support the convertibility operation, undertakings by leading European countries concerning convertibility of their currencies and import control policies, and agreement with the United States and European countries on the objectives of long-term commercial and financial policies. In the second stage there would be action leading toward the abolition of quantitative restrictions, subject to escape clauses, removal of discrimination against non-sterling countries and the establishment of a joint I.M.F.-G.A.T.T. committee to formulate long-term trade rules. The proposals were encouraging but there were many gaps in them. There was no clear indication as to when or to what extent import restrictions would be removed. Unless something substantial could be done about them, convertibility itself would be of limited value. Before Canada could take any very positive stand, there would have to be more elaboration of what the various steps would involve. The prime requisite of the whole plan would be adequate internal measures by the United Kingdom and other sterling area countries.

2. *The Prime Minister* enquired as to the suggested arrangements for a special fund and asked what would be involved in that part of the U.K. proposals.

3. *Mr. Rasminsky* said that the quota of the United Kingdom under the International Monetary Fund amounted to about $1.35 billion, of which $350 million had already been drawn. There was thus about $1 billion of the United Kingdom quota left. The idea was that arrangements should be made so that the entire unused amount of the quota could be drawn on in case of need to support the convertibility operation. This would involve two changes for the

Fund. One would be in the policy about the use of Fund resources. The Fund had been conservative with regard to the purposes for which resources could be used, and the present plan would involve a substantial change. The agreement of the United States would be necessary. The second change would be in making Fund resources available to a country whose currency was on a fluctuating rate. If changes were made as indicated, such a large part of Fund resources would have to be available for the United Kingdom scheme that the United States would probably have to give supplementary aid to the Fund in order that it might be in a position to look after the needs of others.

4. *The Governor of the Bank of Canada* said there were possible implications for Canada. The Canadian quota was $300 million, of which $75 million had been made available in gold and $225 million as a Fund account in Canada. If the United States and the Fund agreed to the United Kingdom proposals, it was likely that the Fund would want to use a large part of the Canadian dollar credit to help support the plan. Canada would have to provide the cash amount involved.

The success of the whole United Kingdom scheme would depend upon the internal measures taken, but the flexible rate feature was intended to provide an additional defence. If internal measures proved inadequate, it would be possible to defend the reserve position by allowing the sterling rate to fall. That would be the principal feature that was not present when convertibility was attempted in 1947. The hope would, of course, be that measures would not have to be resorted to that would involve any major variation in the value of sterling. Other countries of the sterling area viewed with apprehension the possibility of substantial fluctuation in the exchange rate.

5. *The Prime Minister* said that the fundamental thing from the point of the view of the United Kingdom was that consumption should not exceed what could be paid for or by production. Unless a balance could be achieved, no amount of machinery would be of much use. Such being the case, he wondered how valuable it was to be discussing machinery at this stage.

6. *The Minister of Finance* agreed that the balance was fundamental. The method of approach would, however, determine whether it would be achieved on the basis of a contracting or of an expanding economy. Canada had every interest in encouraging an expansionist approach. While the present proposals had many gaps, they represented a change from the purely restrictionist attitude that had prevailed for so long. The approach involved risks, and it was for the United Kingdom to decide what amount of risk could be taken and what measures would be necessary to ensure success.

7. *Mr. Towers* said there were a number of people in the United Kingdom who felt that, while the ultimate objective should be the same as we had in mind, the risks in an operation of the present sort were too great and that more should be done internally in the United Kingdom before the plan was put into

effect. They were very frightened of the consequences of a new effort like that of 1947, which might again fail with very serious consequences. Ideally it was correct that the best course would be to set their house more in order before trying so bold a venture. It was, however, doubtful whether enough could be achieved internally without the encouragement of a broader programme and the outside pressure that it would bring to take the necessary action.

8. *Mr. Deutsch* said the internal measures would all be politically very difficult. It would be extremely hard to take them unless the United Kingdom government could present them as part of a co-operative plan in which they were receiving the assistance of the United States and other countries. Among other things action probably would be required to reduce the food subsidies and possibly to remove or reduce rent controls in order to meet the housing problem. There might be some short-term unemployment while industrial adjustments were taking place. Pressure would be brought on inefficient industries, particularly if restrictions were removed. The measures would press most severely on lower income elements in the community and that made them especially difficult. The Labour Party would almost certainly oppose them.

9. *The Deputy Minister of Finance* said Canada had a very great stake in seeing the United Kingdom's financial difficulties solved. For that reason it was important to encourage any action that gave promise of leading in the right direction.

10. *The Minister of Trade and Commerce* said the United Kingdom was hoping for support from Australia and New Zealand about imperial preferences. He thought it would be very undesirable to have any approach to G.A.T.T. on the matter. Canada should take a clear and definite line against anything of the sort.

11. *Mr. Towers* suggested that it might be desirable, and possible, at an early stage in the discussions and before coming to our position on the machinery proposed, to try to set the whole matter in perspective. It could be acknowledged that any course was going to be difficult and that the present plan undoubtedly had dangers within it. Nevertheless, there should be an assessment of the difficulties and dangers in doing nothing and continuing in the present direction. Events and policies of the last few years had had a weakening effect on the sterling area. It was more desirable that that process should be brought to an end. Moreover, the tendency of present policies had very undesirable political effects. The general result was a crystallization of the countries of the free world into two groups and the division weakened them at a time when it was in their common interest to come as closely together as possible. If the weakening and dividing process continued it would be extremely dangerous for them all. Emphasis on the international political aspects and on the broad perspective might give the suggested venture greater appeal to Mr. Churchill.

12. *The Prime Minister* said that the lines to be taken by the Canadian representatives would have to be considered in the light of further information that became available and of the morning's discussion. It was quite clear that Canada would have to avoid, at all costs, any appearance of telling the United Kingdom what course it ought to take and what internal measures should be introduced. The essential point could be emphasized that what had to be done was to ensure a position in which the United Kingdom's exports and imports could be balanced and a stable position maintained. Stress should probably be laid on the importance of diminishing the restrictions against certain items. Unless there could be some diminution of restrictions it would be difficult to convince people that the project was one worthy of support. The general perspective outlined by Mr. Towers would also have to be kept in mind.

R.G. ROBERTSON

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596. DEA/8508-40

Extrait du procès-verbal de la réunion des chefs de direction

Extract from Minutes of Meeting of Heads of Division

CONFIDENTIAL Ottawa, November 24, 1952

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THE COMMONWEALTH

Commonwealth Economic Conference

5. *Mr. A.E. Ritchie.* The Canadian Delegation to the Commonwealth Economic Conference which opens in London, on November 27, will be led by the Prime Minister, and will include the Minister of Finance, the High Commissioner in London, Messrs. Pickersgill, Bull, Rasminsky, Deutsch and LePan. As in the case of the preparatory meeting of officials, members of the staff of Canada House will be available to assist the delegation. A brief announcement will probably be made in the House of Commons.

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597. DEA/50123-40

La délégation à la Conférence économique du Commonwealth au secrétaire d'État aux Affaires extérieures

Delegation, Commonwealth Economic Conference, to Secretary of State for External Affairs

TELEGRAM 1 London, November 30, 1952

TOP SECRET

Following from the delegation to the Commonwealth Economic Conference, Begins: The conference has got off to a rather slow start, but an encouraging amount of general support for the modified UK proposals has already been expressed. At the first meeting of the committee on finance and trade (which were held on Friday, November 28, under Mr. Eden's chairmanship) statements were made by the representatives of Canada, South Africa, India, Southern Rhodesia, Ceylon, Pakistan and New Zealand, as well as an introductory statement by Mr. Butler, who apparently will do most of the talking for the UK. The text of the statement made by Mr. St. Laurent is contained in my immediately following telegram. Mr. Menzies was not ready to speak on Friday, and his opening statement has been deferred until Monday.

2. *Preferences*. The representatives of South Africa, Ceylon and India have already made it clear that they do not support the UK's proposal for a revision of the "no new preference" rule of GATT. Mr. Havenga[20] said that he could not see how this proposal could be reconciled with the desire to progress towards freer multilateral trade, and he added that, in his opinion, it would prejudice US support for the scheme to make sterling convertible. Sir Chintaman Deshmukh[21] said that the existing preferential system was at present tacitly accepted in India, but that it would not be possible politically for India to agree to any extension of the system. Mr. Senanayake of Ceylon argued that any attempt to extend Imperial preference might tend to jeopardize the objectives which the countries of the Commonwealth had set for themselves. Mr. Holland of New Zealand did not touch on this subject.

3. *Convertibility*. Opposition to confining convertibility initially to non-resident sterling had faded, and it seems improbable that this will be an issue during the conference. Ceylon's objections to this limitation in the UK's proposals were explicitly withdrawn by Mr. Senanayake.

4. *Exchange rates*. The Asian members of the sterling area have now all accepted the thesis, although with varying degrees of reluctance, that the sterling rate should be flexible. However, they are uneasy about the provision in the present UK proposals whereby, after an initial period of free movement against sterling, the exchange rates of all sterling area countries should be

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[20] N.C. Havenga, ministre des Finances de l'Afrique du Sud.
N.C. Havenga, Minister of Finance of South Africa.

[21] Sir Chintaman Deshmukh, ministre des Finances de l'Inde.
Sir Chintaman Deshmukh, Minister of Finance of India.

fixed and move only in accordance with the sterling rate. Sir Chintaman Deshmukh stated that, in the opinion of the Indian Government, it was not essential for the success of the plan that the Indian rupee should be linked with sterling. He did not think there would be any great difficulties in a position in which sterling was subject to only minor oscillations while the rupee was constant in terms of dollars. Mr. Senanayake said that Ceylon would probably want to link the Ceylonese rupee to sterling, but he contended that it would be inadvisable to [make that?] course obligatory. In a very brief reference to this subject, Mr. Nazimuddin, the Pakistani Prime Minister, referred to the provision that all other rates should be pegged to sterling as "a difficulty" in the UK proposals.

5. *Quantitative restrictions*. As was to be expected, a considerable difference of opinion has been revealed on the question of how quickly quantitative restrictions should be removed. The representatives of Pakistan and Ceylon have urged caution, while Mr. Havenga of South Africa, in a clear and interesting statement which pointed out many of the disadvantages of continued discrimination, warned, on the other hand, that a too gradual approach might lead only to another crisis.

6. *Price of gold*. The case for a rise in the price of gold was presented by Mr. Havenga, but more moderately and sensibly than it had been by Dr. Holloway[22] during the meeting of officials. Mr. Havenga was supported in his plea by Mr. Whitehead of Southern Rhodesia; and it seems certain that we will hear a good deal more of this subject before the conference is over.

7. Finally, it might be added that Mr. Holland, in a rambling, impromptu statement of strongly protectionist flavour, made it clear that his understanding of the topics under discussion is not profound, and provided considerable confirmation of the extraordinary report, contained in Mr. Rive's telegram No. 5 of 14 November,[9] that even by that date the New Zealand Government had received only very scanty information about the discussions at the preliminary meeting of officials. However, we should imagine that Mr. Holland will prove willing to go along with the UK's proposals. Ends.

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[22] J.E. Holloway, de la Commission des finances des universités de l'Afrique du Sud.
Dr. J.E. Holloway, University Finances Commission of South Africa.

598. DEA/50123-40

La délégation à la Conférence énonomique du Commonwealth au secrétaire d'État aux Affaires extérieures

Delegation, Commonwealth Economic Conference, to Secretary of State for External Affairs

TELEGRAM 2 London, November 30, 1952

TOP SECRET

Following from the delegation to the Commonwealth Economic Conference, Begins: Following is the text of the statement made by Mr. St. Laurent on the 28 November, Text Begins:

I do not intend to use this occasion to discuss the proposals and tentative lines of policy which were the subject matter of the preparatory conference of officials, and which have now been placed before us in revised form by the UK Government. We shall have opportunities to cover this ground as our meetings proceed. But I would like to sketch the background against which our discussion of these difficult and intricate problems will take place — the background as seen through Canadian eyes.

The proposals put forward by the UK Government which we are about to consider are directed toward establishing a multilateral system of trade and payments through a collective approach in which creditors as well as debtors will play their part. In the course of these discussions we shall be giving thought to various techniques which may be adopted to help attain these ends and to the contribution which each of our respective countries, and others whose cooperation is needed, can make. It was brought out very clearly in the discussions among officials which preceded this meeting — as is again reflected in the main paper before us — that success in attaining the objective of international balance depends on all the countries concerned carrying out domestic policies which are, in fact, compatible with international balance. Unless we all do so, we would stand in constant jeopardy of a breakdown in whatever new arrangements might be decided on to govern international trade and payments.

The decision regarding the character and timing and, indeed, regarding the feasibility of the domestic measures which may be required in each country must, of course, be that of the responsible Ministers in the country concerned.

We have all shared in the efforts which have been made since the end of the war to achieve the objective of a world in which friendly nations could maintain a high level of international trade and enjoy each with the others that freedom of contact which is to my mind the *sine qua non* of economic strength and political unity. It would not be proper to describe these efforts as unsuccessful because we should all be much worse off if some had not come to the aid of others during this time and if the goal of multilateral trade and convertibility of currencies had been abandoned. However, it would be idle to deny that at least so far as surface appearances go we do not seem to be much nearer those goals than we were when hostilities ended. Perhaps it is time to make a fresh assessment of the importance we attach to the principles which have so frequently been enunciated. Are inconvertibility of currencies and all the paraphernalia of restrictions on trade and travel which go with it really such bad things?

In the Canadian view they are. Basically we think they are bad because over a period of time they weaken economies and reduce their capacity to satisfy the various demands on them. The pressures we all feel on our resources, in part, reflect aspirations which are desirable in themselves — such as an increase in the standard of living of the lower income groups in the community, a better standard of housing, higher standards of social welfare, a speedier rate of economic development in the less developed parts of the world. In part, for some of us they reflect the compelling necessity to build up our military strength to maintain our security in the face of the great dangers which threaten us.

It is of vital importance that we develop and maintain our basic economic strength so that we can satisfy these important and competing demands on our resources to the maximum extent of which we are capable. To achieve this, and do our part to maintain peace in the world, it seems to us in Canada that two things are necessary. One is that our resources should not, on any substantial scale and over any extensive period of time, be artificially diverted from the most advantageous economic uses; and the second is that we should work together in harmony and not allow relations with each other to degenerate into conflict and misunderstanding. Nothing could give greater satisfaction to those who wish us ill than to see our economic strength sapped in this way.

In Canada we have been concerned for some time at the likelihood that in the long run the measures which many countries have felt obliged to take to deal with their international payments problems — I refer particularly to the measures of trade restriction and discrimination against the dollar countries which have a weakening effect on their own basic economic position. Our attitude toward this matter is not, I believe, theoretical and doctrinaire. We realize that each country has its special problems — that new and under-developed countries may, for example, need for some time to come to exercise some direct control over imports to ensure that they are of a character which meets their developmental needs. But post-war experience seems to us to support the view that the widespread use of these self-perpetuating restrictions and discriminations tends to have a weakening effect on countries relying heavily on them.

We have been concerned in Canada too at the effect of continued reliance on trade restrictions on the prospects of that harmonious cooperation among like-minded countries which we regard as so essential. I was greatly impressed with the broad political risks which may be involved in continuing and perpetuating the division of the world into dollar and non-dollar blocs. The effect of this division is that trade, instead of bringing us together in friendly contact, tends to divide us; instead of being a source of harmony and mutual benefit, it becomes a source of friction and misunderstanding. The longer the division of the world into blocs continues, the greater becomes the dangers of friction as well as the economic dangers to which I have referred.

In referring to the dangers of friction and disharmony I am of course thinking in part of the relations between the US and the sterling area. I am also thinking of relations within the Commonwealth — relations between the sterling members of the Commonwealth and Canada, and relations among the sterling members themselves. The position of Canada as a dollar member of the Commonwealth is obviously of a different character from that of the other members, and opinion in Canada has recognized this and has accepted the fact that the exigencies of the position after the war required the other members of the Commonwealth to treat our trade on a different basis. But I freely confess that opinion in Canada, while still sympathetic, finds it more and more difficult to understand why, so long after the end of the war, the restrictions against us should be maintained and even intensified.

Finally, I venture, with great diffidence, to suggest that over a period of time arrangements regarding sterling based upon restrictions and discrimination can hardly fail to place strains upon the relations between the various countries comprising the sterling system itself.

Feeling as we do that the policies of restriction and discrimination weaken the economic foundations of our world and that they jeopardize the cooperation and understanding which are necessary for our common prosperity and security, we in Canada feel that there would be great advantages to the whole world if a fresh initiative could be undertaken which resulted in less stress being laid on restriction and more on multilateral trade and currency convertibility. We have been encouraged by the work done at the officials' meeting, and by the proposals which have now been placed before us by the UK Government, to believe that we are now called upon to consider a serious effort to change the general direction of sterling area trade and currency policy away from the restrictions which have, perhaps of necessity, characterized it since the end of the war. If we are right in this interpretation of the proposals, we welcome the change and we shall wish to do our part in working out their application to help make them acceptable to all concerned.

I ought well be told that there is really no need for me to bring forth arguments in favour of the goals to which I have referred as most people here agree on the broad general principles. But unless it is believed that major and continuing departure from these principles on the part of the great trading nations of the world will inevitably have disastrous effects, no one will be willing to make a real and sufficient effort to attain the goals in question. To us it seems essential that if — as I assume to be the case — the proposals before us represent an effort to effect a general change in the direction of policy along the lines I have referred to, the measures taken to implement them should carry conviction, and should leave no doubt in the minds of people either at home or abroad that there is in fact a basic reorientation of policy. I have in mind both domestic policies adequate to sustain the new arrangements without long-continued reliance on import restrictions and also concrete arrangements for the removal of import restrictions and discriminations within measurable time. I am not suggesting that everything should be done at once or that a rigid time-schedule can now be drawn up. But it is the case that in the light of the successive disappointments suffered in this field since the end of the war, general statements of objectives will have to be accompanied by concrete action. Changes which have been made in various aspects of these proposals since they were first put forward seem to recognize this fact.

In conclusion may I express the hope that our views on these matters at this conference will coincide and that we shall find other great nations whose cooperation is needed in the effort to attain true international balance to be of like mind. For my part I welcome this opportunity for discussion. I think it was a very wise and statesmanlike move on the part of the Prime Minister of the UK to propose the holding of a conference at this particular time. I am sure he appreciates the extraordinarily important political as well as economic implications of the course of action which we may attempt to follow if discussions here and later with others are fruitful. I assure you at the outset of these talks that we are anxious to join with you in seeking a constructive solution to the problems we shall be discussing.

599. DEA/50123-40

La délégation à la Conférence économique du Commonwealth au secrétaire d'État aux Affaires extérieures

Delegation, Commonwealth Economic Conference, to Secretary of State for External Affairs

TELEGRAM 3 London, December 2, 1952

TOP SECRET

Addressed External No. 3, repeated Washington No. 3.

Mr. Menzies spoke at length at the meeting yesterday morning of the Committee on Finance and Trade. His remarks were clear and closely reasoned; but when he had finished his intentions were still rather inscrutable. The criticisms he had to make of the United Kingdom proposal were so numerous and serious that it might have been thought that he was announcing he could not support them. An alternative interpretation would be that he had not yet made up his mind about the proposals and was searching for enlightenment and reassurance. Or, finally, he might have been indicating that he would support the proposals — but at a price. We are inclined for the time being to adopt the last of these three possible interpretations, and to believe that he was pressing the United Kingdom discreetly either for further capital to finance Australian development, or for permission to float a loan in the London market. This interpretation of his opening general statement was reinforced by what he had to say yesterday afternoon at the first meeting of the Committee on Development, on which we are sending a separate report.

2. After welcoming the United Kingdom proposals on account of their breadth and the careful study which had gone into their preparation, he

explained by way of preface that, although he agreed that anti-inflationary measures were necessary throughout the sterling area, and also that sound economic development should be promoted, it seemed to him that there would be considerable difficulty in reconciling these two objectives. Strict internal measures in individual sterling area countries would have the effect of drying up the domestic resources available for development, while if an attempt were made to finance development through inflation, the consequences for the balance of payments would be grave in the extreme. The only way out of this dilemma was for Australia to be able to put its hands on additional resources from abroad.

3. After announcing in this way his main, but never fully explicit theme, he turned aside to consider the subordinate, if important, issues. First, he expressed support for Mr. Havenga's plea for an increase in the price of gold. The new administration in Washington, he thought, might be favourably disposed towards such action, if only because it would be difficult for them to find a solution of the present disequilibrium through a major revision of United States commercial policy. In any case, Mr. Menzies thought that Commonwealth countries should urge an increase in the price of gold on the United States Government.

4. He then dealt with the question of preferences and expressed regret that at the opening meetings of the Committee on Finance and Trade the preferential system had seemed to have almost no friends. He then professed his own attachment to it, but in a way which he clearly hoped would seem moderate and discriminating. Referring to the views of those who would like Commonwealth countries to repudiate the general agreement on tariffs and trade and to increase preferential margins substantially, he said that he could not agree that that was the proper solution to the problem of living in an inconvertible world. On the other hand, he dissociated himself from the thesis that preferences must be abandoned in the interests of a thoroughgoing multilateral system, and he repeated arguments with which you are very familiar in an attempt to show that the United States attitude toward preferences is unreasonable. He summed up his own position by saying that he thought the best way of saving dollars in the short run would be to increase intra-Commonwealth trade, and such an increase would be facilitated by adjusting and strengthening the preferential system. Unless action were taken to revise GATT so that Commonwealth countries would be free to increase preferences, he was very uneasy about what would be the state of Commonwealth trade once quantitative restrictions had been eliminated. At this point in Mr. Menzies' remarks, Lord Swinton, who was sitting opposite him, permitted his rather frosty absorption to be broken by the only smile he has shown so far.

5. Having cleared these subordinate matters out of the way, Mr. Menzies then turned to examine the core of the United Kingdom proposals. Although insisting that, as he said, he was not knocking the plan, he said that it seemed to him experimental, precarious and partial. It was experimental because:

(a) It depended on complete co-operation from the countries of Western Europe;

(b) It would require thoroughgoing and generous United States support;

(c) Considerable administrative talent would have to be displayed if newly acquired non-resident sterling was to be segregated from previous accumulations; and

(d) Democratically elected parliaments throughout the sterling area would have to institute and sustain strict anti-inflationary measures, which would often be unpalatable and unpopular.

The plan would be precarious because of conflicting impulses which would come to a focus over the question of non-discrimination. In order to limit the amount of sterling held by non-residents, sterling area countries would be under considerable temptation to adopt discriminatory import policies in favour of their sterling area partners. On the other hand, the United States would probably make non-discriminatory policies on the part of the sterling area a condition of financial support for the plan; and similarly the countries of Western Europe would be willing to co-operate only if they received pledges of non-discriminatory treatment. Finally, the plan must be regarded as partial since the type of convertibility it contemplated would be confined to non-resident sterling. The reasons for this limitation were strong and compelling, but they would not be so visible, or so persuasive, to ordinary citizens of sterling area countries as they were to Finance Ministers and their experts.

6. Mr. Menzies doubted whether support for the proposals could be secured unless it were possible to go further than had been ventured in the United Kingdom's proposals and say something about the further stages to which it was hoped these initial steps would lead. Part of this more distant landscape would be a situation at which all sterling, both resident and non-resident, would become convertible. At this point in his statement Mr. Menzies also gave another indication that, although it might be possible to persuade his countrymen to accept some immediate slackening in the pace of Australian development, they would need to be reassured by the promise of some outside assistance within the not too distant future.

7. He also thought that he would have difficulty in getting acceptance of the proposal that a joint committee of the International Monetary Fund and of GATT should be established as a kind of arbiter in the whole field of international financial and commercial policy. Neither of these institutions was popular in Australia, and there would be little enthusiasm for asking them to assume even wider powers and responsibilities than they possessed at present.

8. The proposals therefore seemed to present many difficulties. Perhaps they were not insuperable. But, if they were to be overcome, the plan would have to be presented as part of a much larger pattern which would include a promise of outside capital for development purposes, and ultimately the convertibility of resident, as well as non-resident, sterling. He hoped that the conference would address itself to the task of at least sketching in this wider pattern.

9. Before concluding he gave it as his advice that as early an approach as possible should be made to the new administration in Washington. In twelve months' time it would be subject to many more internal pressures than at

present. Now, flushed by a great popular victory, Mr. Eisenhower would be able to take action of which he might later be incapable. The time to strike was within the next three months while the new administration would be comparatively malleable.

10. After Mr. Menzies had spoken, Mr. Lyttleton made a brief statement on behalf of the colonies. It amounted to little more than the expression of a flat judgment that the United Kingdom proposals would be in the colonies' interest. He did, however, emphasize that it would be very important for some of the colonies, and especially for the West Indies, for the convertibility operation to be undertaken at a time when there was a strong tide of confidence in sterling. Colonies which depended largely on dollar imports would suffer seriously, if, after the convertibility operation, there were to be any substantial drop in the value of the pound.

11. In winding up the general discussion on the United Kingdom's proposals, the Chancellor of the Exchequer contented himself with expressing satisfaction that the proposals had been able to command so large a measure of support. The only point on which he had anything of substance to add was concerned with timing. Drawing attention to the final sentence of paragraph 7 of the United Kingdom memorandum (CEC(52)2) which states that, "the decision on this (i.e. convertibility of sterling) would be taken in the light of the circumstances ruling at the time and the progress made under each of the elements of the proposals," he emphasized that progress would have had to be made in reaching agreement on plans for removing quantitative restriction, and also that indications would have had to be received that the United States was prepared to follow "good creditor" policies, before the convertibility operation could be undertaken. It would be for the United Kingdom to judge the proper moment after having consulted with the United States and with the countries of Western Europe, and after having assessed the results of these consultations. But the United Kingdom proposed to remain in the closest contact with Commonwealth countries throughout this whole process, and particularly when it was on the point of reaching a decision as to when convertibility could be introduced.

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600. DEA/50123-40

La délégation à la Conférence économique du Commonwealth au secrétaire d'État aux Affaires extérieures

Delegation, Commonwealth Economic Conference, to Secretary of State for External Affairs

TELEGRAM 4 London, December 3, 1952

SECRET

Addressed External No. 4, repeated Beaver Washington No. 4.

Following from the Canadian Delegation to the Commonwealth Economic Conference, Begins: Following is the text of the statement made by Mr. St.

Laurent on December 2 in the Committee on Develpment and Commodity Policy.

Text begins:

We entirely agree with the emphasis that has been placed on this subject of further development of natural resources. It is something which most of our people are apt to regard as one of the principal means by which we can achieve those rising standards of living which they desire.

There is no doubt that the countries of the Commonwealth are rich in human and material resources and, when means are found to stimulate the development of the economic potential of our countries, the resulting increase in output will also make a vital contribution to the achievement of international balance and expanding trade.

Conversely, it is our feeling as well that, by making real and early progress toward the restoration of multilateral trade and convertible currencies along the lines of the proposals before us, we should improve materially the prospects for more rapid development.

I think we all recognize that the savings available in the undeveloped parts of the Commonwealth are not apt to be sufficient at this time to provide all the capital that is needed. This is a problem which we in Canada can easily recognize, since our own economic development in the past has been financed, to a considerable extent, not out of our own inadequate savings but through the import of capital on a large scale, first from the United Kingdom and, more recently, from the United States.

Two main problems seem to us to emerge as a result of the inadequate supply of domestic savings, the first is to ensure that the supplies which are available are put to the best possible use; the second is to supplement the domestic supplies from outside sources. It also seems to us that the need to guard against inefficient use of the capital available, is another reason to work towards an international system of trade and payments because that does produce incentive for the right sort of investment. On the basis of our own experience in Canada, we found that, when we had to impose restrictions to take care of a serious balance of payments problem five years ago, there was an immediate tendency for available capital to be invested in industries which would benefit directly from a continuance of import restrictions.

We, of course, agree with those who have expressed the view that the greatest stress should be laid on the development of those resources which will increase both the export capacity of the sterling area and meet the basic needs of its people. But we would also lay stress on the objective that investments of a dollar-saving character should meet the test of being able to stand on their own feet in a multilateral system of trade and payments.

In the past, the United Kingdom has been the important source of outside investment capital for the less developed parts of the sterling area and, even in recent years, it has provided substantial amounts. It seems to be generally agreed, however, that, in view of the many calls on its resources, the amount of capital which the United Kingdom will be in a position to supply in the near future is apt to fall short of what is needed.

One of the important problems in this general question of development is, therefore, how best to improve the prospects of Commonwealth countries being able to attract investment from outside, not as grants but for good business undertakings.

It seems to us to be realistic to regard the United States as the principal substantial source of such outside capital. In the post-war period there have, of course, been factors operating against an adequate flow of investment capital from the United States. These factors have arisen out of circumstances existing both in the United States and in the potential receiving countries. We have to recognize that the counter-attractions for the investment of capital at home in America have been strong and that the international political and economic situation abroad has not been favourable. Nevertheless, there has been some investment of outside capital in many of our countries and we in Canada have had many examples of the kind of investment Mr. Menzies described in respect of the Anglo-Iranian Oil Company. We have found that, to obtain an inflow of private capital for investment purposes, there had to be a climate favourable for such inflow. What I mean is that the investors had to feel there were reasonable prospects of profitable earnings and that they would have reasonable prospects of determining how they would use those earnings, either for reinvestment or for conversion into currencies readily usable elsewhere.

Of course, we realize that there are some developments which are not so appropriate for private investment and which have to be promoted or aided by the State or by agencies of the State. We have several of that kind under active consideration by ourselves at the present time and, no doubt, some further contribution can and should be made through international institutions. But, if we can make progress in respect of the basic issues of world trade and payments, a sound basis will have been laid for fruitful international cooperation in providing more adequate supplies of capital for both public and private investment.

I hope that in such an effort we, in Canada, may be able to play some part. As I have indicated, we are, ourselves, a rapidly developing country and, as such, our development is being aided, through inflows of investment capital particularly, at the present time, from the United States. Nevertheless, we are doing what we can to assist in the development of other countries. We have cooperated in the Colombo Plan and through the United Nations and the International Bank and we would expect to continue to do so. We have released, for use by the Bank, the whole of our 18 percent subscription and we have authorized the International Bank to put out a bond issue on the Canadian market. We place no restrictions whatever in the way of Canadians who wish to invest in the sterling area or, indeed, in any other part of the world. While it would be excessively optimistic on my part to expect that Canada could in the near future become a major exporter of capital, I would hope that favourable world developments along the line we are discussing here might make more individuals and corporations, Canadians included, see opportunities for profitable investment in countries other than their own, thus increasing our bonds of inter-dependence and our opportunities for helpful and mutually profitable economic as well as political cooperation.

Text ends. Ends.

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601. DEA/50123-40

La délégation à la Conférence économique du Commonwealth
au secrétaire d'État aux Affaires extérieures

Delegation, Commonwealth Economic Conference,
to Secretary of State for External Affairs

TELEGRAM 5 London, December 3, 1952

SECRET

Addressed External No. 5, repeated Washington No. 5.

Following from the Canadian delegation to the Commonwealth Economic Conference, Begins: The general discusson of economic development was concluded yesterday afternoon. For the most part it was confused and imprecise. At times it was so disconnected and there were so many references by different speakers to the glowing possibilities for economic development in particular constituencies that the discussion resembled nothing so much as a rather humdrum part of the usual debate in the House of Commmons on the reply to the address. Nevertheless the two meetings devoted to this subject were given some inner tension by the consideration paid to two important issues:

(a) How far would sterling area countries agree to regulate the pace of their economic development in the interests of the viability of the sterling area as a whole?

(b) How much capital could they expect to obtain from the United Kingdom?

2. Lord Salisbury, who was the principal spokesman for the United Kingdom at these two meetings, tried to secure agreement to the proposition that sterling area countries should restrict their plans for economic development to projects which, either directly or indirectly, would assist in correcting the sterling area's balance of payments. In summing up the discussion, he claimed that all sterling area countries had agreed. That may be. But when representatives of many sterling area countries said that they supported the conclusions reached by officials in the report on development policy, they often seemed to mean little more than they thought there should be increased production in the sterling area; and their agreement to the proposition advanced by Lord Salisbury was often so hedged about by qualifications and reservations that one might be forgiven for doubting how far they would be guided by it in practice. Mr. Menzies of Australia stressed how difficult it would be politically to convince the electorate that the pace of economic development in Australia should be curbed. In the same vain, Mr. Holland of New Zealand said that, if his government were to follow indefinitely the policy urged by Lord Salisbury, it

would be necessary to find some anaesthetic for the electorate. Mr. Nazimuddin of Pakistan suggested that the conclusions in the report by officials should be modified to make full allowance for the fact that under-developed countries needed to carry out a programme of basic development, which could not be expected to contribute for quite some time towards strengthening the sterling area's payments position. Mr. Louw[23] insisted that South Africa intended to continue its policy of industrial development in spite of the policy of caution advocated in the officials' report.

3. In his opening statement Lord Salisbury repeated the undertaking given by the United Kingdom delegation last October at the preparatory meeting of officials that, if the principle were accepted that projects which would improve the balance of payments position should be regarded as paramount, then, in appropriate cases, the United Kingdom would try to assist by supplying capital. As the discusions progressed, there was considerable pressure from the spokesmen of other sterling area countries for a continued flow of capital from the United Kingdom and a scale larger than that forecast in Lord Saisbury's careful formula. Mr. Menzies suggested that there was a tendency to exaggerate the need to secure capital from the United States, and gave it as his opinion that much more capital could be raised within the sterling area than was usually thought. Although he did not openly request more capital from the United Kingdom, that was the unmistakable tenor of his remarks. The Prime Minister of Pakistan was more forthright. He claimed that the United Kingdom should play a larger part in the economic development of under-developed countries in the Commonwealth by providing capital goods and long-term credits. He also asked the United Kingdom to release its sterling contribution to the International Bank, so that it would no longer be necessary for Pakistan to use dollars borrowed from the Bank to buy sterling goods.

4. One minor mare's nest in the discussion was a proposal made by Mr. Holland for a Commonwealth Development Corporation. It was not at all clear what he had in mind, although he appeared to think that such a corporation might raise funds for development purposes and investigate schemes submitted to it. Sir Godfrey Huggins of Southern Rhodesia, supporting this proposal, said that in his opinion such a corporation should determine where increased production of dollar-saving or dollar-earning commodities should be encouraged, and should also arrange for the financing of such schemes as it approved. Ordinarily, the sterling component of the funds required would be provided by the United Kingdom; any necessary dollar expenditure should be financed through the International Bank; and the country in which the development was to be undertaken would be responsible for the rest of the financing. It does not seem likely that this proposal for a Commonwealth Development Corporation will get very far. Mr. Menzies expressed scepticism about it, and Mr. Hopkinson, the Minister of State for the Colonies, recalled that the United Kingdom's experience to date with public corporations to promote economic development, has been by no means uniformly happy. This

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[23] E.H. Louw, ministre des Affaires économiques de l'Afrique du Sud.
E.H. Louw, Minister for Economic Affairs of South Africa.

proposal, along with the final report of the Washington group on United States investment in the sterling area, has been remitted to a small committee on development which is to meet later this week under the Chairmanship of Lord Salisbury.

5. The text of the statement made by Mr. St. Laurent in the course of the discussion is contained in my immediately preceding telegram. The Prime Minister also interpolated some remarks about his experience with United States investors in Canada, indicating that in his judgment they were moved by exactly the same considerations as when investing in enterprises in the United States and in no case could be regarded as instruments of United States policy. Ends.

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602. DEA/50123-40

La délégation à la Conférence économique du Commonwealth
au secrétaire d'État aux Affaires extérieures

Delegation, Commonwealth Economic Conference,
to Secretary of State for External Affairs

TELEGRAM 6 London, December 4, 1952

SECRET. IMPORTANT.

Addressed External No. 6 (Important), repeated Washington No. 6.

Following from the Canadian Delegation to the Commonwealth Economic Conference, Begins: Any report of the discussions on preferences yesterday morning in the Committee on Finance and Trade must be headlined by the statement made by Mr. Holland of New Zealand. Before he spoke the score had been about even. The United Kingdom, Australia, and Southern Rhodesia, had urged that Commonwealth countries should make a concerted effort to revise the "no new preference" rule of GATT, so that preferential margins could in appropriate cases be increased. On the other hand, opposition to any such action at this time had been expressed by South Africa, India, Pakistan and Ceylon. Then Mr. Holland unexpectedly said that he too was opposed to the United Kingdom's proposal. The thin red line was broken, the rout was completed, and Mr. Eden on behalf of the United Kingdom was obliged to acknowledge defeat.

2. The United Kingdom brief had been presented by Lord Swinton. In view of his background and his part, as Sir Philip Cunliffe-Lister, in framing the Ottawa agreements, he showed on the whole, remarkable moderation. Arguing that increased trade among the countries in the Commonwealth was by no means inconsistent with increased trade between the Commonwealth and the rest of the world he suggested that it would be wise to examine carefully what the value of imperial preference would be in a trading world where quantitative restrictions were much less prevalent than they were today. The United Kingdom's objective was to get rid of quantitative restrictions. A corollary of that was that there must be freedom to apply tariffs flexibly. During the period when quantitative restrictions had been the chief means of regulating imports,

many new industries had grown up in the United Kingdom; and it might be found desirable to give them some moderate degree of protection once quantitative restrictions were removed. An example of how new developments made flexibility necessary was provided by the European Coal and Steel Community. The establishment of this community marked the emergence of a new preferential system for which a special waiver had had to be devised by the contracting parties to GATT. The competition from Japanese goods was increasingly keen, and, if this problem were to be handled in an orderly and satisfactory way, some freedom in raising duties and in widening margins of preference would be required. Lord Swinton emphasized that the United Kingdom did not want to see high tariffs protecting either the United Kingdom industries or the industries of other countries. But the future was uncertain, and the problems it might present could not be met with confidence, once quantitative restrictions had been abandoned, unless the United Kingdom could recover its freedom to raise duties moderately and to widen margins of preference.

3. Not only was the United Kingdom bound by the obligations which all the signatories of GATT had undertaken, but it was also hampered in adjusting its tariff to new conditions by United Kingdom domestic legislation which embodied the Ottawa agreements and gave free entry into the United Kingdom market to a very wide range of products from Commonwealth countries. These two obligations made it impossible for the United Kingdom to introduce into its tariff structure revisions which were demanded by the new circumstances.

4. Mr. Havenga of South Africa, who spoke very briefly, said that in the past his country had derived great benefits from the Ottawa agreements. Notwithstanding that, it seemed to him perfectly clear that any efforts to abolish the "no new preference" rule of GATT would be inconsistent with the general objective of a freely multilateral trading world. It would also run counter to the collective approach which it had been agreed was necessary.

5. The Indian answer to Lord Swinton was put politely, but very firmly, by Sir Chintaman Deshmukh. In most cases it might be inadvisable to harp too much on internal political difficulties; but the political feeling about Imperial preference in India was so strong that he could not properly explain his country's position without mentioning it. "A strong political odour still attaches to this subject," he said. The Ottawa agreements themselves had failed of ratification in the Legislative Assembly, and had been put into effect only by action of the Viceroy's Council, he recalled. There had subsequently been strong agitation to do away entirely with Imperial preference. This agitation had somewhat died down of recent years, but opposition to the preferences was still widespread. The Government of India could certainly not join in any attempt to secure an extension of the preferential system.

6. Moreover, India would not have any economic interest in such a course. They must rely on quantitative restrictions as a means of operating a selective import policy which would enable them to exclude luxury goods and to concentrate their comparatively meagre resources of foreign currency on goods required for capital development. For that reason the Indian Government was

not really concerned with how to work the alternative system of tariffs and preferences. "In this fight between quotas and tariffs we are on the side of quotas," Sir Chintaman Deshmukh declared.

7. He also made it clear that India was by no means fully satisfied with the existing preferential system. Preferences had been granted bilaterally and in a way which discriminated among the various members of the Commonwealth. India, he said, knew to its cost that the present preferential system did not generalize to all the members of the Commonwealth the benefits accorded.

8. If it were argued that in that case the proper course was to correct this weakness by introducing, as it were, the Most Favoured Nation principle into the preferential system, he would answer that under present circumstances the scope within the Commonwealth for preferential arrangements of this generalized kind would be highly limited. At the time of the Ottawa agreements, the United Kingdom had been the only highly industrialized country within the Commonwealth. But a new pattern of Commonwealth trade had emerged since then; and few commodities, in his opinion, would be found on which individual Commonwealth countries would be prepared to grant preferential treatment to all other members of the Commonwealth.

9. Sir Chintaman Deshmukh also warned that, if Commonwealth countries claimed for themselves freedom to extend the present preferential system other groups would claim the same or similar rights. A process of this kind would strike at the very root of GATT. As for the argument by analogy with customs unions he thought that it was unsound, since a customs union was conceivable only between countries which formed a natural economic unit, which ordinarily were contiguous, and which in most cases were looking towards economic, or even political, union. This was not true of the countries of the Commonwealth. Finally, we [he] thought that a concerted effort to remove the "no new preference" rule of GATT would prejudice the chance of securing United States support for this collective approach to convertibility.

10. Mr. Rahman, the Pakistani Minister of Commerce, repeated this final point. "The United States," he said, "would begin to doubt the sincerity of our efforts if, on the one hand, we presented a plan which aimed at reducing and eliminating restrictions to trade, and, on the other hand, argued for an increase in preferences." After Sir Godfrey Huggins of Southern Rhodesia had supported Lord Swinton's arguments, Mr. Senanayake of Ceylon declared that an acceptance of the United Kingdom's proposal would, in his view, be a negation of the underlying objectives of this conference. This was the first voice raised in the course of the discussion in support of the interests of consumers. He could not help viewing increased Japanese competition in a rather different light from Lord Swinton, he said. The people of Ceylon, with their low standard of living, were reaping considerable advantage from the reappearance there of cheap Japanese textiles.

11. Mr. Menzies, in an interrogative style which seems to be growing on him, had a great number of questions to ask. The drift of his remarks was that an extension of the preferential system would not be incompatible with multilateralism. "We could easily get into an ecstasy of suicide on this matter,"

he said in summing up his argument that freedom to widen preferential margins would be required in a trading world from which quantitative restrictions had been banished. He also described the difficulty which has been created for Australia by the drop in the real value of the preferences enjoyed in the United Kingdom market by some Australian products, notably Australian wines, on which specific, rather than *ad valorem* duties are levied. It would only be equitable for the real value of these preferences to be restored by permitting an adjustment of the specific duties in order to bring them into line with current prices.

12. It was at this moment in the debate that Mr. Holland said that, in his opinion, Commonwealth countries would be speaking with two voices if they approached the United States, saying that it was their objective to remove restrictions and yet, at the same time, that they wanted to increase these particular restrictions. The risk of failure in the whole enterprise would be immensely increased by allowing this feature to be included in the proposals to be discussed with the United States Government.

13. Mr. Abbott warmly supported what Mr. Holland had said. An attempt to remove the "no new preference" rule of GATT would be untimely and inappropriate, he said. Recalling that Canada had been the first Commonwealth country to extend preferences, he stated that in the past very substantial advantages had accrued to Canada from the preferential system. The circumstances which had permitted those benefits to be reaped, however, now no longer existed. Many Canadian commodities were completely excluded from sterling area markets by quantitative restrictions. It had therefore become necessary for Canada to seek alternative markets and success in this search had been greatly facilitated by the General Agreement on Tariffs and Trade. The Canadian Government could not countenance any action which might undermine GATT. For this reason, if for no other, they would be opposed to any attempt at this time to remove the "no new preference" rule. The effect on American opinion of any such move would also be highly unfortunate, he thought. The Reciprocal Trade Agreements Act came up for renewal next year; and it was important that nothing should be done which would make it more difficult for those in the United States who favoured liberal commercial policies from securing from Congress satisfactory action on this measure and on others in the field of commercial policy.

14. Mr. Abbott said that he could see that there might be a case in equity for adjusting specific duties to restore the real value of some individual preferences which had been diminished by price changes. It might well be that such an adjustment should be permitted in the case of Australian wines entering the United Kingdom market, and he would be prepared to see this and other particular cases of a similar kind examined. On the other hand, it must be borne in mind that a great many duties in the United States tariff were levied on a specific, rather than an *ad valorem*, basis. The continued rise in prices had eroded the value to United States producers of these protective duties in the same way as the value of some preferences had been eroded. In Canada too, the protective effect of specific duties had declined; and there had been

considerable pressure — although this had been resisted — from Canadian manufacturers to increase the specific duties levied under the Canadian tariff on import of woollen cloth. Mr. Abbott concluded by repeating that in his judgement it would be extemely unwise to make a concerted attempt to seek a revision of the "no new preference" rule of GATT.

15. When all the votes were in, Mr. Eden acknowledged defeat gracefully, and admitted that it would clearly be impossible to make such a concerted attempt as the United Kingdom had proposed. He then changed the ground of discussion, and appealed for sympathetic consideration of the particular problems which the United Kingdom as a country was facing because of its commitments under GATT, and under the Ottawa agreements. If the United Kingdom were to get rid of quantitive restrictions, it would need to re-examine and revise its existing tariffs, and in some cases would probably want to make modest increases in the MFN rate. This would be impossible so long as it was forbidden to widen margins of preferences, and so long as the obligation stood to give free entry to a wide range of commodities from Commonwealth countries. One or other of these obligations must be modified in order to provide the United Kingdom with some freedom to raise existing duties. He suggested that this particular United Kingdom problem should be remitted for study by officials, who would be asked to return with recommendations before the conference concluded. This suggestion was sympathetically adopted. Mr. St. Laurent further suggested that the question of making adjustments in some particular duties in order to restore the real value of the preferential margin involved should also be studied by the same group of officials; and this was also agreed to. Ends.

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603. DEA/50123-40

La délégation à la Conférence économique du Commonwealth au secrétaire d'État aux Affaires extérieures

Delegation, Commonwealth Economic Conference, to Secretary of State for External Affairs

TELEGRAM 7 London, December 7, 1952

TOP SECRET. IMPORTANT.

Addressed Ottawa No. 7 repeated Washington No. 7.

Following from Canadian delegation to the Commonwealth Economic Conference, Begins: There have been four meetings of Finance Ministers this week to consider the problems thrown up during the opening discussion in the Committee on Finance and Trade, on which we reported in our telegrams 1 and 3. The two subjects to which the most attention has been paid have been exchange rates and quantitative restrictions. There has also been a discussion of the price of gold. This telegram deals with the views expressed by Finance Ministers on the removal of quantitative restrictions, while our immediately following telegram contains a report of the controversy over linking other rates to sterling after the sterling rate has become flexible.

2. The explanations given by Mr. Butler, Lord Swinton and their officials about the intervening period confirm what was reported in telegram No. 2346 of November 23.† The United Kingdom authorities are thinking of an intervening period of about a year's duration. This period is required, in their opinion, so that a new code of commercial rules could be based on some experience of a system in which many currencies would be convertible and many exchange rates flexible. The explanations given of the need for new rules followed very closely the information contained in paragraph 2 of telegram No. 2346.[24]

3. On the other hand, the statement made by Lord Swinton about the import policy which the United Kingdom intends to follow in the immediate future, i.e. before the convertibility operation, was less encouraging than private talks before the conference opened had led us to expect. Extension of the present United Kingdom policy of buying staple foodstuffs and essential raw materials in the cheapest market, as well as further liberalization of the United Kingdom's trade with OEEC countries, would have to wait on the convertibility of sterling, Lord Swinton declared. However, it is by no means certain that the last word has yet been said on this subject; and it still seems possible that the United Kingdom may be able shortly after the conference ends to give us some satisfaction by announcing further measures to reduce discrimination against dollar imports. The Prime Minister has already had a conversation about this possibility with Mr. Butler, from which he drew considerable encouragement. So far as the intervening period is concerned Lord Swinton made it clear at a meeting on Tuesday that after non-resident sterling has become convertible, the United Kingdom intends to buy *all* its essential raw materials and basic foodstuffs in the cheapest market.

4. In the discussion of import policies for the immediate future, i.e. before convertibility, the United Kingdom representatives pressed Mr. Menzies to introduce some discriminatory relaxations into the present Australian restrictions which would favour sterling area commodities at the expense of commodities coming from OEEC countries. Although he was reminded that the United Kingdom was at present discriminating in favour of the sterling area, Mr. Menzies was completely unmoved. He said that, in the short run, no relaxations of any kind were being contemplated by the Australian Government and added that, in his opinion even if there were some scope for relaxations, it would be inopportune to make them on a discriminatory basis in view of the forthcoming approach to the United States that is under contemplation. It is our impression that Mr. Menzies' resistance to this United

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[24] Il s'agissait apparemment d'une allusion aux changements qui étaient en train d'intervenir sur la scène économique internationale, particulièrement la tendance vers la convertibilité des monnaies et la flexibilité des taux de change.
This was an apparent reference to the changes that were taking place in international economic circumstances, specifically the tendencies toward convertibility of currencies and flexible exchange rates.

Kingdom pressure is to be regarded as part of a tactical campaign he is conducting to persuade the United Kingdom to grant Australia permission to raise money on the London market.

5. These various issues, however, have not given rise to much debate. The real difficulty has come over the proposal that, after the intervening period, all quantitative restrictions should be removed, except those which could be justified under a strict emergency clause of GATT. India, Pakistan and Ceylon have all expressed deep misgivings about this proposal. Mr. Mohamad Ali of Pakistan has indicated that, in his opinion, it would not be possible for Pakistan to get rid of quantitative restrictions in one year or two years or five years, and has argued that they are necessary as a means of allocating Pakistan's scarce resources of foreign exchange in the interests of its programme of economic development. In a country with a less unequal distribution of wealth it might be possible, by appropriate monetary and fiscal measures, to damp down effective demand for luxury articles without recourse to quantitative restrictions; but such a policy would not be feasible for Pakistan. Nor would heavy sales-taxes solve the problem, since the power to impose sales-taxes is vested in the states rather than in the central government. Sir Chintaman Deshmukh has presented a similar case on behalf of India. In order to carry out India's programme of economic development, a selective import policy is essential and this can be implemented only by imposing quantitative restrictions. At the present time the Indian restrictions are sanctioned by the Balance of Payments Articles of GATT; and it would not be possible to accommodate them within the terms of article XVIII of the general agreement (which deals with under developed countries) since the purpose of that article is merely to allow under developed countries to impose quantitative restrictions in order to protect raw industries. What India needs is the power to exclude luxury imports, even though such articles are not being manufactured domestically.

6. It has been widely recognized by the representatives of other countries at the conference that the problem raised by India, Pakistan and Ceylon is a genuine one. However, it has been pointed out, that if wide latitude were given to under developed countries to continue to impose quantitative restrictions this latitude would in all likelihood be abused by some countries. In any case, it might perpetuate the present situation where quantitative restrictions are the rule rather than the exception. The United Kingdom authorities have given it as their provisional view that what India and Pakistan are really saying is that, while they are engaged in the process of economic development, they will be almost continuously in balance of payments difficulties. The original United Kingdom idea of a balance of payments escape clause to deal with "emergency" conditions is therefore inappropriate to deal with this problem. United Kingdom spokesmen have also admitted that Article XVIII of GATT is irrelevant to this issue, and have stated further that they would be very unwilling to see that article, which was negotiated only with great difficulty, reopened. They have suggested that the solution is rather to be found by interpreting the balance of payments provisions in a liberal fashion in the case

of under developed countries which are endeavouring with a sense of responsibility to restrict their imports so as to promote their own economic development. We have supported this general approach to the problem, but have insisted, along with the United Kingdom that there should be no "unquestioned right" (as Mr. Mohamad Ali had argued) for under developed countries to impose quantitative restrictions. Restrictions imposed by under developed countries should be subject to review, so that, if countries were taking restrictive action which was either unnecessary or excessive, there would be room for adjustment. On the other hand, we have admitted that there should not be constant international interference into the restrictive policies of under developed countries whose proceeds from abroad are inadequate for the purposes of economic development and which may therefore be regarded as being in almost continual balance of payments difficulties.

7. The Indians have already expressed their preliminary acceptance of this method of handling the problem. They have conceded that the IMF, in examining the Indian restrictions, has already shown sympathy towards their particular difficulties. If similar sympathy were shown by whatever international body is to consider financial and commercial matters in the new situation, India would be prepared to accept international scrutiny and review of the policy of quantitative restrictions which they expect to have to apply for many years to come. Pakistan and Ceylon are less certain whether the problem can be dealt with in this way. In any case, it is agreed that it will require considerable further study. Ends.

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604. DEA/50123-40

La délégation à la Conférence économique du Commonwealth
au secrétaire d'État aux Affaires extérieures

Delegation, Commonwealth Economic Conference,
to Secretary of State for External Affairs

TELEGRAM 8 London, December 7, 1952

TOP SECRET. IMPORTANT.

Addressed Ottawa No. 8 repeated Washington No. 8.

Following from the Canadian Delegation to the Commonwealth Economic Conference, Begins: The controversy over whether all sterling area countries should be obliged to peg their exchange rates to sterling has been deep and intense, but it now seems to be on the way to solution. Our immediately following telegram contains the text of a statement made at the meeting of the Committee on Finance and Trade on Friday by Mr. Butler in an effort to resolve this issue.† He explained that the main departure it represented from the United Kingdom's proposals was a concession that other sterling area countries as well as the United Kingdom would have tc exercise independent judgment before the convertibility operation was undertaken. This concession had been granted in return for informal understandings given by the representatives of India, Pakistan and Ceylon that it was their intention eventually to establish a link with sterling.

2. The underlying reason for the United Kingdom's unwillingness to agree that sterling area countries should be free to decide whether to link their currencies with sterling, or alternatively to peg them to gold or to the United States dollar, had been the fear that, if they did not decide to follow sterling, this would undermine confidence and increase the risk of speculative movements against sterling at a time when it was essential that it should be strongly supported.

3. After Mr. Butler had spoken, the Indian position was once again expounded by Sir Chintaman Deshmukh, who repeated that he was not at this time prepared to agree that the Indian rupee must be linked with sterling. He explained that this would require the introduction of new legislation to change the existing provision of the Reserve Bank of India Act whereby the bank is required to quote exchange rates based on the IMF parity. Those in India with inconveniently long memories, he said, would regard the establishment of a legal link with sterling as politically unacceptable and as exhibiting "the stigmata of a situation which no longer existed." In addition to this political difficulty, it would be objected in India that the Indian Government should be free to exercise its unfettered judgment as to what decision would be in India's economic interest. "Our judgment," he said, "must be the final one on what is politically feasible in our own country and as to what is to our advantage." If the present proposals found favour in the United States and in Western Europe and if the question of the rupee rate could be presented to the Indian Government and parliament within that wider framework, he was hopeful that the proposals as a whole would be acceptable and also that it would be agreed that the rupee should "keep in step" with sterling. Mr. Mohamad Ali of Pakistan supported what Sir Chintaman Deshmukh had said and added that, when the time was closer for the whole operation to be undertaken, it should be easier to get support for linking the Pakistan rupee to sterling than it would be at present.

4. Mr. Menzies was somewhat worried by the Chancellor's formula and said that he would need time to study it. In his opinion, it would be necessary long before the convertibility operation was undertaken to know whether or not the currencies of all other sterling area countries would be linked to sterling. If the decision on this question had to be deferred, the postponement should be as short as possible, if only because it would be difficult to enter into negotiations with the United States unless there were clarity on this point. Mr. Butler replied that, in his view, it would be adequate if he could say in Washington — as he now believed he could — that it was the present intention of those responsible for financial policy in India, Pakistan and Ceylon eventually to link their currencies to sterling.

5. Some misgivings about the formula was also expressed by Mr. Oliver Lyttelton, who said that, in his opinion, it would not be consistent with membership in the sterling area for countries to link their currencies to something other than sterling. This elicited from the Chancellor the

explanation that the reference in the final sentence of statement to "practicable techniques ..... designed to maintain the strength of sterling ...." would exclude a link with the United States dollar. We have learned privately that the formula submitted by Mr. Butler has not yet been shown to his cabinet colleagues and is to be considered by ministers here on Monday. Apparently there is a good deal of nervousness about this formula, not only among United Kingdom Ministers, but also among senior officials in the Treasury. On the other hand, Mr. Cobbold[25] told Mr. Abbott on Friday that he was entirely in agreement with the position the Chancellor had taken and that he agreed it would be unwise to try to press the Indians and Pakistanis further. So far as he was concerned, he placed entire confidence in the private assurances which Sir Chintaman Deshmukh had given that it was his intention to link the Indian rupee to sterling. Ends.

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605. DEA/50123-40

La délégation à la Conférence économique du Commonwealth
au secrétaire d'État aux Affaires extérieures

Delegation, Commonwealth Economic Conference,
to Secretary of State for External Affairs

TELEGRAM 10 London, December 9, 1952

SECRET. IMPORTANT.

Addressed Ottawa No. 10, repeated Washington No. 10.

Following from the Canadian Delegation to the Commonwealth Economic Conference, Begins: After taking a licking in their fight for an amendment to GATT to remove the "no new preference" rule, the British have come back strongly with a new proposal which would virtually amount to a waiver of that rule in their favour. At meetings of officials on Friday and Saturday of last week they invited support for a proposal that the United Kingdom should not be regarded as contravening Article I of the general agreement "if, in order to protect United Kingdom industry, it increased a duty on foreign goods, but in accordance with the relevant tariff legislation, either

(a) continued to exempt the like Commonwealth goods from duty where this is required by existing legislation; or

(b) increased the duty on the like Commonwealth goods only to the extent provided for in existing legislation applicable to the goods in question."

This proposal, as you will see, would apply to almost the complete range of the United Kingdom tariff; only goods subject to revenue duties would be excluded from its scope.

2. We have been very unhappy about this proposal, and have argued that the United Kingdom would have little chance of securing such a broad release

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[25] C.F. Cobbold, gouverneur de la Banque d'Angleterre.
C.F. Cobbold, Governor of Bank of England.

from GATT, or of enlisting our support, unless their application could be narrowed and made more specific. We have been strongly supported in this position by the representatives of South Africa, India and Pakistan.

3. The United Kingdom representatives, on the other hand, have argued that a more limited waiver would not assist them in solving their problem, since they are not in a position to decide what MFN rates they will want to raise when they abandon quantitative restrictions. They have also indicated that, if it were impossible for them to secure release from the "no new preference" rule, and if they decided to impose duties on Commonwealth goods which now enter the United Kingdom duty free, they would in all probability have to explain in the House of Commons that Commonwealth countries had preferred the imposition of new duties on their commodities to a revision of the "no new preference" rule of GATT. You will see that in this discussion we have had to walk a narrow tightrope, since we thought that we should avoid enabling United Kingdom spokesmen to say at some future date that we had encouraged the levying of new duties on imports from Canada.

4. The crucial sentences in the report of officials on this subject read as follows:

> "All Commonwealth representatives appreciated the importance of the problem before the United Kingdom and agreed that it would be desirable that the United Kingdom Government should secure arrangements in the GATT to enable it to increase its MFN rates of duty, as necessary, for protective purposes without having to depart from the present statutory basis of duty-free entry for Commonwealth goods. Many representatives expressed the view that it would be undesirable in this connection to undermine the basic provisions of the GATT governing non-discriminatory trade practices, but all were ready to cooperate with the United Kingdom in seeking in the GATT a solution consistent with this general principle."

In our opinion this formula should leave us free to decide what the Canadian attitude should be when the United Kingdom has decided more precisely how to formulate its application to GATT. Already the United Kingdom has moved a little way towards our position by agreeing to restrict their application to those commodities which now enter duty-free from Commowealth countries. In other words, they have agreed to drop the proposal that they should be free to increase the MFN rate on commodities now subject to the "McKenna duties" without raising the parallel preferential rate. This modification in their proposals highlights their main motive in seeking more elbow-room from GATT. In their opinion, it would be politically very difficult, if not impossible, to secure consent from the House of Commons here to a measure imposing duties on Commonwealth commodities which now enter duty-free. Although this change in the proposals is in the right direction, it would hardly seem to go far enough.

5. It was made clear in the course of the discussion that acceptance by the United States or by GATT of this United Kingdom proposal is in no way to be regarded as a condition which must be satisfied before the "collective approach to multilateral trade and payments" can be undertaken. The report by officials

states clearly that discussion of this proposal with the United States authorities would be separate from discussion of the "collective approach", although it might be convenient for the United Kingdom Government to raise it at the same time. Ends.

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606. PCO

La délégation à la Conférence économique du Commonwealth au secrétaire d'État aux Affaires extérieures

Delegation, Commonwealth Economic Conference, to Secretary of State for External Affairs

TELEGRAM 11 London, December 11, 1952

SECRET. IMPORTANT.

Addressed Ottawa No. 11, repeated Washington No. 11.

Some delegations, notably those from New Zealand and Australia, have been waiting since the opening of the conference for the promise of something more palatable than a diet of continued austerity. With the voters back home in mind they have been looking for something which would allow them to represent the outcome of the conference in a more favourable light. At the end of the session on development on Saturday (after listening to a statement by the Chancellor) they thought they had obtained what they wanted. They and other ministers gave a cordial welcome to Mr. Butler's offer of additional financial help as a significant contribution to the cause of Commonwealth development. Indeed Messrs. Menzies and Holland were positively enthusiastic. However, the resumed discussion of this subject which took place on Monday made it clear that these same delegations, after a closer scrutiny over the weekend of the Chancellor's proposals, now feel less satisfied with the dish that was placed before them.

2. As to the channels through which additional capital might be made available, the Chancellor made it clear that the London capital market would continue to be the primary source. He announced, however, that a consortium of leading financial and industrial interests was being formed in the City to make more finance available for Commonwealth development both directly and indirectly. The Chancellor hoped that this would meet the demand of Mr. Holland who had suggested the establishment of some form of Commonwealth financial corporation in London. Details of this venture are expected to be announced by the private interests concerned to coincide with the end of the conference. We have heard unofficially that the initial capital of this company will amount to £15 millions.

3. The principal additional help for development to be made by the Government of the United Kingdom itself is to come from the 18 percent subscription of the United Kingdom to the International Bank. The Chancellor did not indicate the amount that might be made available in this way over any given period and rather left the impression that he would expect the IBRD to

apply the criteria mentioned below. The Chancellor naturally did not make the point, but it will occur to you as it did to us that in making funds available through the International Bank the United Kingdom may well feel that the Bank will be able to apply more searching, additional standards to the borrowers than would be possible if the United Kingdom were to dispense the funds itself.

4. The Chancellor then turned to the criteria which in the future should govern the disposition of the capital which might be forthcoming from United Kingdom sources. These included three principal and two subordinate criteria, as follows:

(a) The investment should be concentrated on prospects which would directly or indirectly improve the balance of payments with the non-sterling world;

(b) The United Kingdom would want to feel assured that the borrowing country was devoting a sufficient part of its own resources to development designed to assist the balance of payments;

(c) The borrowing country should put up a sufficient part of the cost of the scheme to ensure that both the United Kingdom and the borrowing country had the same interest in carrying it through efficiently;

(d) Where appropriate, account would be taken of the probable effect of capital assistance upon the prospects for United Kingdom exports;

(e) Account should be taken of the contributions which the investment would make to the supply of raw materials needed by the United Kingdom.

5. The Chancellor also spoke of the expansion in the physical contribution to the needs of the Commonwealth which might result from greater availability of steel and engineering goods. However, he was not able to put a figure on the additional capital assistance that the United Kingdom hoped to give. The present restrictions on the outflow of capital could not be seriously relaxed until balance of payments conditions had improved sufficiently.

6. The Chancellor also mentioned that it was in the interests of Canada and the United Kingdom that the United Kingdom should enjoy a share in the development of Canada and that he would endeavour to make dollars available for any good schemes that came along. This statement was subsequently referred to by Australia and India as somewhat strange, having in mind the shortage of dollars in the sterling pool and the ease with which Canada seems able to finance its needs for external funds in the United States. Mr. Abbott felt it necessary at one moment to mention mildly that the United Kingdom offer had not been solicited.

7. The United Kingdom authorities, without objection from other members of the conference, have accepted the conclusions of the Washington Working Party that it is unrealistic to expect a substantial increase in the provision of private capital from the United States in the near future. However, to make investment in the United Kingdom itself more attractive to foreign investors, the Chancellor announced that he proposed shortly to make public a statement that capital gains resulting from approved foreign investment in the United

Kingdom and in the Colonies (made since January 1950) shall be freely transferable.

8. The discussion of the Chancellor's statement was resumed on Monday. In the main, the comments of delegations related to the criteria that the Chancellor had laid down as applicable to development projects, criteria which delegates felt themselves unable to meet in full. Some of them wanted an assurance that the new offer from the United Kingdom would not interfere with their traditional right of access to the London money market, an assurance which was given. South Africa (Mr. Louw) welcomed the United Kingdom appeal to the Sterling Commonwealth to confine development expenditures to those which assisted the balance of payments, but said that he would be critical of any proposal "to control" private investment within the sterling area. Mohamed Ali (Pakistan) felt that the emphasis of new investment in Pakistan upon agriculture, power and communications would enable Pakistan to meet the United Kingdom conditions but seemed worried lest the country's modest industrial programme would fail to qualify. Deshmukh likewise argued that the objectives of India's five-year plan would enable it to meet the three main criteria, but hoped that the United Kingdom would not place too rigid an emphasis on the fostering of United Kingdom exports and the obtaining of raw materials for United Kingdom industry.

9. The doubts of Mr. Menzies were more forthright. He declared that, in tying its offer of financial assistance to specific projects, the United Kingdom would make it impossible for Australia to borrow, since the Commonwealth Government was not itself responsible for the initiation of projects, which came within the purview of their various states. General-purpose loans of the type with which Australia was familiar in pre-war days did not run into this problem. With the IBRD hardening its attitude in favour of project loans and the United Kingdom moving in the same direction, Mr. Menzies wondered how the Commonwealth Government could qualify as a borrower much longer. He also pointed out, somewhat plaintively, that it was not within the power of his government to determine the direction taken by investment made by the various Australian States. The States were the planning authorities and the Commonwealth could control development only by the drastic step of cutting off finance which, in ordinary circumstances, was out of the question. In short it was difficult to apply the axe to investment generally in Australia, despite the admission that Australia had been trying to develop too rapidly, and impossible to determine that only essential investment should be fostered. Mr. Menzies concluded that he could not see in Mr. Butler's offer the prospect of any addition to the capital resources available to Australia.

10. Mr. Holland came to the rescue of the Chancellor and argued jthat his proposals were generous and reasonable. New Zealand, he thought, could live with them. Mr. Lyttelton spoke for the Colonies in support of the proposals but hoped that the criteria as defined by the Chancellor would not be made applicable to borrowing from existing agencies either in the City or from the IBRD. The Chancellor did not answer the doubts of Mr. Menzies and others directly but undertook to circulate later a statement dealing with some of the

issues raised at these sessions and, in particular, with the part that the London capital issues committee will play in his proposals.

607. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa,] December 15, 1952

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COMMONWEALTH ECONOMIC CONFERENCE

5. *The Prime Minister* said he proposed to table the official communique issued at the end of the Commonwealth Economic Conference. He would recommend that it be printed as an appendix to Hansard. Every word in the communique had been carefully considered and members of Parliament should have the complete text available for discussion.

Canada had managed to secure a change in wording in paragraph 7. It had originally stated that Commonwealth governments would give consideration to the effects on the export industries of countries of the sterling Commonwealth of import restrictions which some had found necessary. The paragraph had been altered so that consideration would be given to the effects on the export industries of all Commonwealth countries and not simply those of the sterling countries. The United Kingdom had already given up timber controls and would be buying where the best terms could be got. There was hope that something might be done about purchases of cheese, and perhaps salmon. There appeared to be no hope with regard to apples.

6. *The Cabinet* noted the report of the Prime Mnister concerning the official communique issued at the conclusion of the Commonwealth Economic Conference and agreed that it be tabled in the House of Commons.[26]

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[26] Voir Canada, *Débats de la Chambre des communes*, 15 décembre 1952, pp. 765-768.
See Canada, House of Commons, *Debates*, December 15, 1952, pp.737-740.

3^e partie/Part 3

PLAN DE COLOMBO
COLOMBO PLAN

SECTION A

GÉNÉRALITÉS/GENERAL

608. PCO

Note du secrétaire d'État aux Affaires extérieures pour le Cabinet

Memorandum from Secretary of State for External Affairs to Cabinet

CONFIDENTIAL [Ottawa,] February 5, 1952

Colombo Plan: Second Canadian Contribution

On February 12th, 1951, the Cabinet agreed that the Canadian Delegate at the Consultative Committee be authorized to state that the Canadian Government was willing to provide $25 million to the Colombo Plan in the fiscal year 1951-52, but that this amount would be made available only if other contributing countries were providing enough to give reasonable hope that the broad objectives of the Plan would be achieved.

2. Other contributing countries have made commitments as follows:

The United Kingdom has agreed to assist over a six-year period to the extent of approximately $900 million; this assistance to be given chiefly in release of sterling balances held in the U.K. by certain Commonwealth countries in the Colombo Plan area, and partly in the form of direct economic aid.

Australia is contributing the equivalent of $21 million in the first year and will contribute the equivalent of $75 million over a six-year period.

New Zealand will contribute the equivalent of $9 million over the next three years.

The United States is engaged in a very extensive foreign aid programme for which a total of $1,440 million has been appropriated by Congress for the fiscal year ending June 30, 1952. Of this total, $418 million has been allocated for economic assistance in the under-developed countries of the Near East, the Far East and Latin America. The appropriation for the Far East, including the Colombo Plan area, amounts to $237 million. In addition, the United States has provided India with wheat to the value of $190 million, on a low interest loan basis. The U.S. is now a full member of the Consultative Committee and has agreed to provide a chapter on its contribution to the economic development of the Colombo Plan area, for inclusion in the next Colombo Plan report.

3. The $25 million Canadian contribution to the first year of the Colombo Plan was allocated, on the authority of the Cabinet, to India and Pakistan, with $15 million being earmarked for economic assistance to India and $10 million to Pakistan. Both these programmes are well under way, and it is expected that

most if not all of the $25 million vote will be committed before the end of the fiscal year. The greater part of these commitments would be for projects already approved by Cabinet; some other projects, now tentatively approved by Ministers directly concerned, but still under discussion with the Indians and Pakistanis, will be submitted to the Cabinet for final approval in the near future.

4. It is suggested that the time has now come to consider the question of a Canadian contribution for the second year of the Colombo Plan. The Consultative Committee is to meet in Karachi in late March and the extent of Canadian participation in 1952-53 should be decided before then.

5. The arguments for helping to promote political and economic stability in South and South-East Asia are as strong now as they were a year ago when the Cabinet approved a Canadian contribution of $25 million for the first year of the Colombo Plan. Moreover, we can already see the first practical results of the Colombo Plan in the efforts being made by receiving countries to come to grips with their economic problems and to face up to their own responsibilities. The economic development programmes which have been worked out, particularly in India and Pakistan, show a serious attempt to assess primary needs and potential resources, and to approach the problem of economic development in a sound, realistic manner with emphasis being placed on agricultural and other fundamental projects. These countries have begun to implement their programmes and, from the reports we have received, both from Canadian officials in India and Pakistan, and from an International Bank Mission which recently visited India, real progress is being made. Officials from Ottawa have recently discussed Colombo Plan matters in Washington with officials of the International Bank and the State Department, both of whom are carrying out large-scale economic development operations in that area. There has been and will continue to be close cooperation with them to ensure coordination of all our efforts so that available resources for assistance will be put to the best use. Thus the Colombo Plan has made encouraging progress to date; other donor countries are committed to continued support, and the United States has become a full partner. In these circumstances, failure by Canada to remain in the Plan would, I believe, have most unfortunate results both in Canada where there is very widespread support for the Plan, and abroad where Canada's participation so far has been much appreciated.

6. If we are to continue participation, the question arises how much should we contribute for 1952-53. Any smaller contribution than last year's might well be taken to indicate either dissatisfaction with progress to date, or lack of confidence in the ultimate benefits of the Plan. On the other hand, the continuing heavy burden of defence expenditure militates against increasing our contribution. Taking these considerations into account, it would seem reasonable and appropriate that the Canadian contribution for the second year of the Plan be in the same amount as the first contribution.

Recommendation

It is recommended that Cabinet authorization be given, subject to Parliamentary approval, to a contribution of $25 million for 1952-53 for economic assistance under the Colombo Plan.

L.B. PEARSON

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609. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa,] February 5, 1952

. . .

COLOMBO PLAN: SECOND CANADIAN CONTRIBUTION

10. *The Secretary of State for External Affairs*, referring to the discussion at the meeting of February 12th, 1951, said it was proposed that, as in the fiscal year 1951-52, Canada contribute in 1952-53 $25 million for economic assistance under the Colombo Plan. The plan was working well and the 1951-52 contribution, which had been allocated to India and Pakistan, was being spent in very useful ways. These two countries had been working out their plans for the use of counterpart funds in collaboration with Canadian authorities. Other countries had made commitments in connection with the plan on the scale anticipated, and the United States had become a full member of the Consultative Committee on the Economic Development of South and South East Asia.

The Committee would be meeting in Karachi in March[27] and it was planned that member countries be represented by cabinet ministers. As Canada should be represented, the composition of the Canadian delegation would have to be discussed shortly.

An explanatory memorandum had been circulated.

(Minister's memorandum Feb. 5, 1952 — Cab. Doc. 35-52).

11. *The Minister of Trade and Commerce* doubted that any of the funds to be provided for 1952-53 should be used for grain shipments.

12. *The Minister of Finance* believed that part of the second Canadian contribution would probably be allocated to Ceylon. Since long-term projects were involved, the vote covering this contribution should be one that would not lapse after March 31st, 1953.

13. *The Cabinet*, after further discussion, approved the recommendation of the Secretary of State for External Affairs and agreed that, subject to Parliamentary approval, a contribution of $25 million for the fiscal year 1952-

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[27] Voir les documents 624-627./See Documents 624-627.

53 be made towards economic assistance under the Colombo Plan, this amount to be covered by a vote that would not lapse at the end of the said year.

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610. DEA/11038-40

Note du sous-secrétaire d'État aux Affaires extérieures pour le secrétaire d'État aux Affaires extérieures

Memorandum from Under-Secretary of State for External Affairs to Secretary of State for External Affairs

CONFIDENTIAL Ottawa, March 20, 1952

COLOMBO PLAN: ARRANGEMENTS FOR CARRY-OVER OF FUNDS

Of the 1951-52 Colombo Plan Vote of $25 million, only the $10 million allotment for wheat for India has actually been spent. The balance of $15 million will lapse at the end of the fiscal year unless measures are taken to provide for a carry-over. The programmes for India and Pakistan have reached the stage where some projects are definitely agreed upon, and arrangements are being made for tenders, contracts, etc., while others are tentatively approved subject to further consideration. Although funds can be ear-marked for these projects, expenditures will begin after March 31, and, in some cases, depending on delivery schedules, will continue to be made into 1953 and perhaps even longer.

2. Mr. Abbott is anxious to have the full amount of the Vote debited to this year's account and to avoid a revote of the unspent balance. The Department of Finance has drawn up a Submission to Council recommending a financial procedure whereby the funds would be turned over to the Canadian Commercial Corporation to be used to carry out this year's Colombo programme. In order that the arrangements be quite legal and in conformity with the wording of the vote, it is necessary that the unspent monies be formally given to the governments of the recipient countries. There is, of course, no question of handing over $15 million to the Governments of India and Pakistan to use as they like, and it has therefore been agreed with the Indians and Pakistanis that an exchange of letters will take place constituting an agreement whereby the Indian and Pakistan Governments will direct the Canadian Government to turn over the Colombo funds available to the Canadian Commercial Corporation which will then act as agent of the Indian and Pakistan Governments. Provision is made, of course, that the C.C.C. will, in fact, make funds available only for projects approved by you.

3. The draft Submission to Council has been cleared with the legal advisers of the Departments of Finance and Trade and Commerce, as well as with our own Legal Division. At one point the question arose of the legality of the C.C.C. letting contracts for construction work in a foreign country. The question bore directly on the erection of a cement plant in Pakistan. The Department of Justice was asked to give a ruling on this matter, and Mr. Varcoe has stated

that, in his opinion, the C.C.C. constitution can be interpreted to permit of such a contract.

4. The Department of Finance assures us that the procedure which they recommend in the Submission to Council is unassailable on legal grounds and is not contrary to the intentions of Parliament in voting the funds. Nevertheless, these financial arrangements are exceptional and may bring forth some comment from the Auditor General. The Department of Finance tells us that Mr. Abbott will be quite prepared to deal with any comments from the Auditor General or with any questions which might arise in the House on the financial procedure for the carry-over of funds.

5. I attach, for your signature, the Submission to Council† and, for your approval, the attached draft exchange of letters† with the Indian and Pakistan High Commissioners. Attached also for your signature are letters† to Mr. Howe and Mr. Abbott requesting their concurrence with the Submission.

6. A very brief covering memorandum to the Cabinet is being prepared and will be submitted for your signature as soon as it is cleared on the official level.

A.D.P. H[EENEY]

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611. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa,] March 25, 1952

. . .

COLOMBO PLAN: CARRY-OVER OF FUNDS

21. *The Minister of Finance* said that, with his concurrence and that of the Minister of Trade and Commerce, the Secretary of State for External Affairs had recommended a financial procedure for the disposition of the unspent portion of the $25 million Colombo Plan Vote for 1951-52. It was proposed that an Order in Council be passed to legalize the proposed carry-over of funds after March 31st, 1952.

An explanatory note had been circulated.

(External Affairs memorandum, March 21, 1952 — Cab. Doc. 99-52 and attachments)†[28]

22. *The Cabinet*, after discussion, approved the recommendation submitted by the Secretary of State for External Affairs, as concurred in by the Ministers of Finance and Trade and Commerce, for the carry-over beyond March 31st, 1952, of the unspent portion of the $25 million Colombo Plan Vote for the fiscal year 1951-52; an Order-in-Council to be passed accordingly.

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[28] Voir les documents 641, 655 et 656./See Documents 641, 655, and 656.

612. DEA/11038-40

Le sous-secrétaire d'État aux Affaires extérieures
au haut-commissaire au Pakistan

Under-Secretary of State for External Affairs
to High Commissioner in Pakistan

LETTER No. E-353[29] Ottawa, August 11, 1952

CONFIDENTIAL

COLOMBO PLAN

We are becoming increasingly concerned with the slow pace at which we are moving ahead on the actual execution of our Colombo Plan programme. It was inevitable that there should have been delays in getting this brand new type of programme off the ground and we were not unduly disturbed, though admittedly disappointed, at our record of definite achievements in the first year. However, the present status of our 1952-53 programmes, which we had expected to be well advanced by this time is, in fact, pretty discouraging. Four months of the current fiscal year have now gone by and, apart from the programme for Ceylon which is fairly firm, we have made very little progress in lining up definite projects for Canadian assistance. Officials of the interested departments have given serious thought to this problem and have considered possible ways of helping to solve it. Certain steps can and will be taken at this end to improve our administrative facilities, but this will not do anything to overcome what we believe to be the basic weakness, namely, the inept handling of Colombo Plan matters by the responsible government officials in the recipient countries. It is here that we would like to enlist your help.

2. As you know, we have an understanding with the Indian and the Pakistan Governments that the official channel of communication on the Colombo Plan should be through their High Commissioners in Ottawa. Although this channel has not proved very satisfactory, we would not wish to abandon it completely. In spite of the prolonged delays which the High Commissioners experience in obtaining information from New Delhi and Karachi, there is much to be said for maintaining our close relationships with them on Colombo Plan questions. What we have in mind is that greater use than in the past could be made of our missions in India and Pakistan both in supplementing our formal and official contacts with the High Commissioners and in providing us with information directly. It seems to us that there are these specific ways in which your office could be of definite assistance to us in operating the Colombo Plan.

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[29] Un message semblable, nº E-566, 13 août 1952, a été envoyé au haut-commissaire à la Nouvelle-Delhi.
A similar message, No. E-566 August 13, 1952, was sent to the High Commissioner in New Delhi.

(a) In advance of Mr. Cavell's[30] annual trip to the area, a good deal of preparatory work could probably be done through informal discussions and exchange of views with Indian or Pakistan officials on possible projects for Canadian aid. This sort of conversation could commence months ahead of Mr. Cavell's arrival and in the intervening period it might be that a tentative list of sound and feasible projects could be lined up which he could then use as a basis of discussion with the government concerned. You might, in this way, be able to stimulate some advance planning, sift out the obviously unacceptable projects and encourage adequate preparation of material on the most attractive projects. To the extent that the decks could thus be cleared for action, Mr. Cavell's consultations would be that much more profitable.

(b) One of the main reasons for delay in deciding on projects submitted for our approval is the lack of sufficient information on which to base a judgment. We do not of course expect or want detailed specifications in the initial stage, but it is essential that we have general information on the scope and usefulness of the project and some idea of the type of equipment which would be required, before we can determine whether the project is an appropriate one for Canadian assistance. It has been our experience that this type of information is extremely difficult to obtain and it might be that we could get it more quickly with your help. In such instances, you might be able to prod the government officials directly concerned into supplying the required material. It might also be that you would have additional details from other than official sources which might be helpful to us in judging the merits of a project.

(c) It quite frequently happens that after a project has been approved, there is prolonged delay in getting it underway because of the lack of detailed specifications or the unsatisfactory form in which they are presented. Again, we sometimes reach a point in the execution of a particular project where a decision must be taken by the Indian or Pakistan Government on a particular point. I have in mind, for example, the difficulty which has arisen over the railway tie project for Pakistan. As a result of the reluctance of the Pakistan authorities to accept a proportion of hemlock ties, the placing of orders for these ties has been held up for months while the High Commissioner here has attempted, without success, to persuade his Government to agree to the proportion offered. In specific instances of this kind, an approach by you might achieve the desired action.

3. The informal co-ordination meetings which take place in the national capitals might provide a further opportunity for encouraging a more business-like approach to problems of economic development and technical assistance. We hope that this forum can be used to stimulate greater efficiency on the part of Indian and Pakistan officials charged with responsibility in these fields.

4. We have already sought your help on a few occasions in the past in regard to particular projects and your co-operation has proved useful in each case.

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[30] R.G. (Nik) Cavell, Direction de la coopération économique et technique internationale, ministère du Commerce.
R.G. (Nik) Cavell, International Economic and Technical Cooperation Division, Department of Trade and Commerce.

Our intention now is that you should play an increasingly active role in working out Colombo Plan projects and speeding up their execution. I should be grateful to receive your general reaction to this suggestion and any views or comments you may care to put forward in connection with the ways in which your office might help in improving our Colombo Plan operations.

L.D. WILGRESS

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613. DEA/11038-2-40

Extrait du télégramme du haut-commissaire au Pakistan au secrétaire d'État aux Affaires extérieures

Extract from Telegram from High Commissioner in Pakistan to Secretary of State for External Affairs

DESPATCH 588 Karachi, August 30, 1952

COLOMBO PLAN ADMINISTRATION

Reference: Your despatch E-353 of August 11, 1952.

I agree with you that our experience of the 1951-52 and 1952-53 programmes under the Colombo Plan has not been entirely satisfactory. As you point out there has been too much delay in achieving concrete results. We have sometimes been ashamed to admit at this post that the only item under the Colombo Plan with which Pakistan has yet been supplied was one Ford station wagon. The basic difficulty is the rudimentary and often inefficient administration of the receiving countries, including Pakistan. There is even a terminological problem. I refer, for example, to the confusion as to what constitutes "agricultural machinery". However, I think that both ourselves and the Pakistan authorities have gained considerable and valuable experience during the last year and that there are grounds for hope of greater and quicker progress in the future.

2. This can be accomplished partly by ceasing to rely as heavily as in the past on the High Commissioner's offices in Ottawa. In Pakistan's case, her High Commissioner's letters and telegrams from Ottawa must go first to the Ministry of Foreign Affairs and Commonwealth Relations in Karachi and then to the Ministry of Economic Affairs, and finally to the Department directly concerned. In some cases this routine is repeated in the provinces until the proper authority is reached. At this end, while we are officially expected to deal with the Ministry of Foreign Affairs and the Ministry of Economic Affairs, in point of fact we almost invariably go directly to the senior official in the Government Department responsible for any particular item. . . . In connection with the Thal Livestock Farm, it is becoming increasingly clear to us that in all matters of urgency the Canberra Committee channels should be supplemented by direct communication between Ottawa and this office. The difficulties over agricultural machinery might never have arisen if more direct channels had been used.

3. The same point arises in connection with the Technical Assistance Programme. I note that you are now making a practice of sending copies of

most of the offers made to the Bureau at Colombo to this mission at the same time that they go forward to Mr. Sykes.[31] As a result we have frequently been able to speed up action in this field. This mission has, of course, no intention of trying to assume any major portion of the work now being done in Canberra and Colombo.

4. In the future, as indeed in the past, we will not hesitate to approach the appropriate officers of the Government of Pakistan at the official level concerning Colombo Plan matters whenever we consider that the results would be useful. In the case of the railway ties I will await your instructions before raising this problem formally with the Government of Pakistan. However, if we are to perform this liaison function properly here, we will have to be kept in constant touch with developments in Ottawa.

5. I had not realized that Mr. Cavell proposed to make a yearly tour of this area. We would be very interested to know of his plans and would be glad to prepare the ground before he arrives. Presumably he will be attending the next Consultative Committee conference at New Delhi, and may also be visiting the Pakistan area at that time.

6. I think, however, that some of our present dismay at the slowness with which the Colombo Plan activities are developing may be premature. The next few months, as far as Pakistan is concerned, will be periods of great activity. In addition, as Mr. Said Hasan remarked to us on his return, whereas Colombo Plan assistance during 1951-52 was very helpful to Pakistan, the funds which are to be provided in 1952-53 are vitally necessary if her development programme is to continue as hoped. The current economic crisis in this country will result in much greater attention being paid to Colombo Plan problems.

K.P. KIRKWOOD

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614. DEA/11038-1-40

Le haut-commissaire en Inde
au secrétaire d'État aux Affaires extérieures

High Commissioner in India
to Secretary of State for External Affairs

DESPATCH 1015 New Delhi, September 2, 1952

CONFIDENTIAL

COLOMBO PLAN

Reference: Your letter No. E-566 of August 13, 1952.[32]

I have read your letter with considerable interest. I share your concern with the slow pace at which the Colombo Plan programme for 1952-53 is moving ahead, and I believe that the suggestions which you have made may prove helpful. When I call upon Sir Chintaman Deshmukh this week, I shall take the opportunity of referring to the importance which the Canadian Government attaches to the Colombo Plan, and shall suggest closer liaison between my staff and the officials of his Department.

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[31] Paul Sykes, délégué commercial, haut-commissariat à Ceylan, membre du Conseil de coopération technique, Colombo.
Paul Sykes, Trade Commissioner, High Commission in Ceylon; Representative on Council for Technical Cooperation, Colombo.

[32] Voir le document 612./See Document 612.

2. Lest you should think, however, that closer liaison is likely to afford more than a partial solution to the problems which face us, I think it would be well for me to outline briefly the administrative and political difficulties which are to some extent endemic to this country. If I go over a good deal of familiar ground, I hope you will excuse this in the interests of what may perhaps be the first detailed presentation of the problem.

3 We have all apparently been under the impression that the difficulties which we encountered during the first year of the Colombo Plan were due in a large measure to the fact that the Plan was in an experimental stage; that we were feeling our way; that we were setting up new and untried machinery and procedures. It seems to me that this is only a very partial answer I am not competent to speak for Pakistan and the rest of South-East Asia, but I believe that the difficulty which any donor country faces in dealing with the authorities of a recipient country in this area are epitomized in India. They may be summarized as follows:

(a) There is an Indian way of doing things. By our standards, it is slow, hesitant and confused, and is based on a fundamental lack of planning and a tendency continually to make ad hoc decisions. This attitude, which is thoroughly familiar to the English, who have lived and worked in this country for 200 years, is regarded by them with a tolerant and good-natured cynicism. They do not attempt to force the Indians to meet their pace or to comply with their ideas of efficiency. They are prepared to let nature take its course, as it were, in the knowledge that eventually a given project will be completed. If, during the course of its completion, it takes longer and costs more than was originally intended, and turns out to be somewhat different from the blueprint, this is acceptable to them in the interest of long-term goodwill. For ourselves, the Australians, and the Americans, being much newer to the sub-continent, it is much more difficult to accept this: but it is something which cannot be changed simply by a closer liaison.

Among its manifestations are parallel and duplicate approaches by Government Departments; slipshod and outmoded administrative methods; and a failure in what the Americans call "phased planning" (i.e. the turbines may arrive before the cement floor is laid; the power is ready to be turned on before the industries have settled in the area; the product is ready to market without any distribution outlets having been surveyed).

It is easy to be frustrated by this haphazard approach. But it is in many ways a projection into another sphere of the day-to-day, hand-to-mouth, generally improvident attitude which characterizes an extremely poor country.

When one finds quite senior Civil Servants arriving at a meeting without having prepared any agenda or having read their files, and then proceeding after desultory discussion to an entirely ad hoc decision to deal with Point A, Point M or Point Z, as the case may be, one is appalled; but one must realize that while the clerks are numerous, the seniors are few and over-driven.

(b) The Indian Government is extremely short of well-trained Civil Servants. Recruitment for the Indian Civil Service stopped in 1940. The last generation of I.C.S. trained men are now in their late thirties. Officials below the rank of Joint Secretary will seldom take any action on their own responsibility. The successor organization, the Indian Administrative Service (I.A.S.) has nothing like the prestige or the training qualifications that the I.C.S. had. The Civil Service has also expanded enormously since Independence. The men who, three and five years ago, were clerks, are now Deputy Secretaries. While such rapid promotion is exemplary, it does not mean that those who are promoted have the capacity to deal with the complex problems of modern administrative machinery. As a result, files get lost or are not read, senior Civil Servants are not properly briefed, meetings are called without proper notice, agenda are not prepared and the whole range of what we would regard as normal administrative procedures are simply ignored.

The few I.C.S. and well-trained younger Civil Servants are at a high premium and are thus often quite impossibly loaded down with work. For example, Bhattacharyya, in addition to being deputy head of the International Economic Division of the Minister of Finance, is also directly responsible for all foreign aid programmes, does a good deal of the Minister's work while he is away, and serves on many interdepartmental committees. O.K. Ghosh, who is a comparatively junior civil servant, handles all the Technical Assistance operations, but is in addition advisor to the Home Ministry on States' problems, to the States Ministry on States' economic problems, acts as liaison officer with the Reserve Bank, and has so many odd jobs to do that it is a miracle that he succeeds in getting any one of them done at all. In any event, Ghosh is now going away for six crucial months, and Bhattacharyya is going to do his work as well as his own.

(c) There is a good deal of interdepartmental jealousy at the working level, and it is not uncommon for one Ministry to say to a representative of a donor country: "Will you please go to the Ministry of Blank and tell them to co-operate with us?" As a result of this, round table meetings rarely achieve anything.

(d) The capital development side of the Colombo Plan is tied in very closely with political considerations and is susceptible to all kinds of political pressures and delays. You will be familiar with this from the history of the Bombay State Transport Commission.

(e) The machinery whereby the Centre deals with the States is extremely cumbersome. When a request comes in, it may have to be referred to all of the 17 Part A and Part B States, (whose relationship to the Centre is somewhat similar to that of our Provinces) and also to the Commissioners of the 10 Part C States. This all makes for unnecessary delay.

(f) There is an acute shortage of the basic routine tools of administration: typewriters, stenographers, stationery, etc. It is a common thing to receive a carbon instead of an original letter and matters are handled in a way which to us seems extraordinarily slipshod.

4. Having said all this, one must, of course, add that the overriding consideration is that the Colombo Plan should be implemented in such a way that the Canadian public and parliament and the Indian public and parliament are satisfied that it is being mutually beneficial. But this does not mean that the standards by which the beneficence will be judged are necessarily the same in both countries. In India one has to work twice as hard to avoid slipping backward, let alone making process. The progress will be made, but it will not be made in terms of Western ideas of time schedules and efficiency. It will be made at the Indians' own pace and we should face the fact that we may have to find, at the end of each fiscal year, devices for holding over unspent funds, as we did in the fiscal year 1951-52; that we shall encounter, at all times, all sorts of disheartening delays, misunderstandings, bunglings and inefficiencies. But the will, and the goodwill, are there; how they are exercised is a matter for the Indians to determine. The above views would, I feel certain, be concurred in by Mr. Cavell.

5. I now come to the suggestions contained in your letter under reference. We should be able to do a good deal more if we received fuller documentation. The only information which we have received regarding the 1952-53 capital development aspect of the Colombo Plan is contained in the very valuable minutes of meetings of the Colombo Group, of which three copies have reached us this year. We were not aware that the *only* official channel of communication for the Colombo Plan was through the Indian High Commissioner in Ottawa. We did not know until we read paragraph 2(a) of your despatch under reference, that Mr. Cavell was going to take an annual trip to this area. We have not received, with one exception, the correspondence which passed between the Department and Mr. Saksena, so that when we go to see Bhattacharyya or Ghosh, we are sometimes placed in the position of having to ask them if they have any knowledge of our Government's intentions.

6. I should now like to comment on the practical proposals contained in your letter under reference:

Paragraph 2(a): We agree that a good deal of preparatory work could be done through informal discussions in advance of Mr. Cavell's visit. However, in order to enable us to conduct such discussions, we should need to be kept fully informed, and to receive copies of all relevant correspondence.

Paragraph 2(b): I agree entirely. The difficulty here has been that since the channel to Saksena[33] was established, Bhattacharyya has not been letting us have copies of the correspondence initiated by his Department with Saksena. You will recall that last year this used to be the case. We think it would be useful for us to have access to this correspondence and have suggested it informally.

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[33] **R.R. Saskena, haut-commissaire de l'Inde.**
R.R. Saskena, High Commissioner of India.

Paragraph 2(c): Here again I think that if we had the complete story we should be able to be of more assistance to you in making approaches of the kind which you suggest.

We should add that the coordination meetings which you mentioned in your paragraph 3 take place only in respect of technical assistance and not of economic development. We think it extremely unlikely that the Indian authorities would consent to meetings in the latter field since it would put them in the position of offering their projects on an open market instead of bringing them to the attention of the specific country which they think may be in a position to fill their needs. In any case, we do not think that complicated, large, and individual projects could be profitably discussed at joint meetings.

7. Summing up, I would say that we should be very glad to undertake the types of liaison indicated in your paragraph 2(a), 2(b) and 2(c). In order to do this, however, we should have to have more, and more frequent, documentation from Ottawa. We should, in fact, to be as useful to you as possible, receive copies of all correspondence between the Indian authorities and Saksena. This, we think, can be arranged here, provided you would also suggest it to Saksena. Bhattacharyya has already indicated his willingness to comply.

8. With the full documentation in our possession, we should, I think, be able to carry out all the types of formal and informal consultation which you suggest. We ought also to visit projects ourselves, in order to give you the benefit of a second point of view. I should emphasize once again, however, that liaison is not by any means the full story, and that so long as India remains India, we must expect the delays and frustrations due to the political and administrative difficulties outlined in paragraph 4 of this despatch.

9. I am reporting in a separate despatch on an interview which we had earlier this week with Bhattacharyya.

WARWICK CHIPMAN

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615. DEA/11038-0-40

Note du sous-secrétaire d'État aux Affaires extérieures
pour le secrétaire d'État aux Affaires extérieures

Memorandum from Under-Secretary of State for External Affairs
to Secretary of State for External Affairs

Ottawa, October 11, 1952

COLOMBO PLAN: 1951-52 PROGRAMME

You will recall that the Order-in-Council covering the procedure for carrying over the unexpended balance for last year's Colombo Plan vote provides that all contracts entered into by the Canadian Commercial Corporation shall be "individually approved on behalf of the Government of Canada" and that such contracts shall not be approved on behalf of Canada "except with the concurrence of the Secretary of State for External Affairs, the Minister of Trade and Commerce and the Minister of Finance."

2. Our experience in operating under this Order-in-Council shows that while the procedure is quite reasonable for large-sized package contracts it is administratively impractical, or at least very slow and cumbersome, when applied to the purchase of miscellaneous items required for a particular project. We have in mind particularly the agricultural machinery and related equipment which Canada is supplying as its share in the establishment of the joint Australian-New-Zealand-Canadian experimental livestock farm in Pakistan. The nature of our contribution is such that the individual contracts are bound to be numerous while there are so many people involved and so many procedural steps required that it is quite impossible to place all the orders at the one time unless all procurement is held up until the last specification is approved. The implementation of this whole project has been delayed so long that we are anxious to do everything we can to expedite matters, especially insofar as Canada is concerned, because the delay so far has been mostly on our part.

3. In order that the CCC may go ahead with procurement of individual items as they are ready without any unnecessary delay, I wonder if you would be prepared to give your blanket authorization now for the purchase of machinery and equipment for the Thal Livestock Farm as approved by the officials directly concerned with the operations of the Colombo Plan, provided the total expenditure on all such equipment and machinery is within the $200,000 allocation approved by the Government.[34]

4. The Legal Division has been consulted on this proposal and agrees that such a delegation of authority would be perfectly legal.

L.D. W[ILGRESS]

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616. DEA/11038-40

Le secrétaire d'État aux Affaires extérieures
à la délégation permanente auprès des Nations unies

Secretary of State for External Affairs
to Permanent Delegation to the United Nations

TELEGRAM 460 Ottawa, November 8, 1952

CONFIDENTIAL

COLOMBO PLAN: FUTURE CONTRIBUTIONS

Following for the Minister, Begins: We have been discussing with Finance officials the most suitable method of financing future Canadian contributions to the Colombo Plan. Following is the text of a draft memorandum to Cabinet for submission on Thursday, which reflects our official discussions and which we understand has been cleared in principle with Mr. Abbott although he has not yet approved the text. We shall let you have our comments on Monday. Text begins:

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[34] **Note marginale :/Marginal note:**
yes. L.B. P[earson]

"I have been giving some consideration to the unsatisfactory financial situation which has arisen by making provision for our contribution under the Colombo Plan by means of annual Parliamentary Votes.

"So far, Parliament has voted $25 million for capital assistance under the Colombo Plan for each of the fiscal years 1951-52 and 1952-53. As the first of these fiscal years drew to a close, it became apparent that only $10 million out of the $25 million voted would be actually spent by March 31, 1952. In the circumstances, a special procedure was adopted and an Order-in-Council passed so that the unspent funds would continue to be available to make expenditures against projects agreed on with recipient governments in respect of the first contribution of $25 million. While the procedure adopted can be supported legally and technically, it is open to objection on principle and may draw criticism. What this procedure involved was transferring the unspent funds from the Vote to the recipient governments, who agreed in advance to deposit them with the Canadian Commercial Corporation and to spend them only on projects approved by the Canadian Government. It would be desirable to avoid having to justify the repeated use of such a procedure. The situation which it covered last year has arisen again this year. It now appears probable that under $10 million from the current Vote of $25 million will have been actually paid out by next March 31. While the unspent money could, of course, be allowed to lapse, this alternative may also raise difficulties. It might be regarded as a reflection on Canadian support for Colombo Plan programmes because the sum voted by Parliament tends to be regarded publicly both here and abroad as a firm contribution. Difficulties might also arise if Parliament were asked to revote the unspent sum of about $15 million together with a new annual vote of $25 million for the fiscal year 1953-54. This would mean that a figure of $40 million for the Colombo Plan would have to be included in next year's estimates.

"In view of these difficulties and after consultation with my Colleagues, the Secretary of State for External Affairs and the Minister of Trade and Commerce, I would like to raise for discussion the proposal that our contributions under the Colombo Plan should be put on a statutory basis.

"The purpose of the proposed legislation could be to allow for the more orderly planning of programmes and the more effective use of Canadian contributions to the Colombo Plan. Experience gained since the six year Colombo Plan period started on July 1, 1951, indicates that the present method of providing for the Canadian contribution by annual appropriations gives rise to avoidable risks of waste and misdirected effort. These risks arise because the most useful projects usually require considerable detailed preparatory work and planning while their actual execution and financing covers a period of several years. This is true of such projects as the cement plant and the geological survey which we are undertaking with Pakistan, and it is also true of hydro electric projects, which we may expect to undertake in the future. In participating in such projects, it is obviously desirable to reach a firm agreement at the outset with the recipient government covering all aspects of the proposed project including particularly the division between external and local costs. It is difficult, however, to secure an appropriate undertaking from the receiving country to meet local expenditures for materials and labour in accordance with the principle of self-help, when no authority exists for the contributing country to meet, on its part, external costs which will come into the course of payment in subsequent fiscal years. Furthermore, in the absence of such authority receiving governments aware that unspent funds may lapse, are under pressure to put forward proposals which may not be soundly conceived or which may require considerably more working up before they can be considered seriously. This kind of difficulty would be resolved to a large extent by the proposed legislation which would also help to avoid the possibility, already referred to, of public misunderstanding in Canada or in receiving countries which might arise in the event that a substantial part of our total contribution voted by Parliament for 1952-53 were to lapse.

"In the early stages of programmes expenditures tend to be small. In this connection it is estimated that the additional cash required during the forthcoming fiscal year will be in the order of $10 million which is, of course, substantially less than the $25 million provided for each of the two preceding fiscal years. The first Vote of $25 million is now practically wholly committed although only about $10 million has been actually paid out. From the current Vote of $25 million only slightly over $5 million has been spent up to the present and it is anticipated under the proposed legislation that about $15 million which would ordinarily lapse at the end of the present fiscal year will be available to meet cash requirements during the forthcoming fiscal year. Thus, if it is decided to provide another $25 million next year, the actual new cash requirement to be included in the estimates for 1953-54 need not be more than about $10 million, if this proposal for a statutory appropriation is adopted.

"The proposed legislation, consisting of three or four sections, would:

(a) authorize the Secretary of State for External Affairs, with the approval of the Governor in Council, to enter into economic development agreements up to July 1, 1957, with governments of countries in South and South East Asia for the provision of grants and loans for development projects and for technical assistance up to an amount of $...million in addition to the unspent balance in Vote 114 for fiscal year 1952-53;

(b) authorize the Minister of Finance to transfer to a special account in the Consolidated Revenue Fund the unspent balance from Vote 114;

(c) authorize the Minister of Finance to make payments, during the current and subsequent fiscal years, for economic development projects and technical assistance agreed upon by the Secretary of State for External Affairs with the approval of the Governor in Council, up to $...million out of unappropriated monies in the Consolidated Revenue Fund and out of the balance transferred to the special account in accordance with (b) above; and

(d) provide for a report on activities under this Act to be presented annually to Parliament by the Secretary of State for External Affairs.

Minister of Finance"

Ends.

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617. DEA/11038-40

Le représentant permanent auprès des Nations unies au secrétaire d'État aux Affaires extérieures

Permanent Representative to the United Nations to Secretary of State for External Affairs

TELEGRAM 714 New York, November 10, 1952

CONFIDENTIAL

COLOMBO PLAN: FUTURE CONTRIBUTIONS

Reference: Your telegram No. 460 of November 8, 1952.

Following from the Minister, Begins: I agree with the views expressed in the draft memorandum to Cabinet. Ends.

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618. DEA/11038-40

Le secrétaire d'État aux Affaires extérieures au représentant permanent auprès des Nations unies

Secretary of State for External Affairs to Permanent Representative to the United Nations

TELEGRAM 461 Ottawa, November 10, 1952

CONFIDENTIAL. IMPORTANT.

COLOMBO PLAN: FUTURE CANADIAN CONTRIBUTIONS

Reference: My teletype No. 460 of November 8.

Following for the Minister from Wilgress, Begins: We understand that while Mr. Abbott fully appreciates the practical advantages from a financing and programming point of view, of placing our Colombo Plan contribution on a statutory basis, he feels sure that Ministers will wish to give due weight to the domestic political implications of such a move at this time. It is for this reason that the memorandum to the Cabinet is being drafted in terms of a submission for consideration by Ministers rather than a positive recommendation. You will have observed, however, that the present draft (most of which was done by Finance officials) is strongly slanted towards legislation and if approved by Mr. Abbott, substantially in its present form, comes close to being a recommendation. We understand further that Mr. Abbott, who will not be at Thursday's Cabinet meeting, intends to write to the Prime Minister expressing his own preference for legislation over the annual vote procedure.

2. In our view, legislation as outlined in paragraph 5 of the draft memorandum, should provide a satisfactory basis for operating the Colombo Plan. It would allow for long-term planning, would avoid difficulties of lapsing Votes and would not add to the budget burden for next year. At the same time, it should have a good political effect, especially in the Colombo Plan area, in that it will constitute a commitment by the Government to continued participation in the Plan.

3. If you agree that a memorandum along the lines of the present draft should be submitted to the Cabinet on Thursday, it might be helpful if you were to have a word by telephone with the Prime Minister to let him know your preference for legislation. You may wish, at the same time, to indicate to the Prime Minister the figure which you consider appropriate for the lump sum to be authorized by the legislation. You will note that it is being left blank in the memorandum to the Cabinet. We understand that Mr. Abbott is not prepared to suggest a figure and thinks that Ministers may decide the principle at this week's Cabinet meeting without settling upon an amount. If the decision were in favour of legislation, a reference to the Government's intention could be mentioned in the Speech from the Throne.

4. Even though a final decision on the amount will probably not be taken on Thursday, there may be some discussion on the order of magnitude envisaged and you may, therefore, think it desirable for the Prime Minister to know your views. Our own feeling is that it would be reasonable to calculate the total on the basis of our first two annual contributions, that is, to provide for $100 million over the four remaining years. It seems to us that any lower figure might be interpreted as an intention to reduce our scale of assistance below that which we planned at the beginning and that such an impression would be unfortunate. On the other hand, Finance points out that the Government is being beset with numerous domestic claims for assistance, many of which will have to be rejected and that resentment can be expected from these quarters if as much as $100 million is authorized for Colombo Plan aid.

5. You will probably not wish to discuss this matter with the Prime Minister until after Mr. Abbott has informed him of the proposal and conveyed his own views. This will probably not before Wednesday.

6. Will you please let me know what action you take in this matter. Ends.

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619. DEA/11038-40

Le secrétaire d'État aux Affaires extérieurs
au représentant permanent auprès des Nations unies

Secretary of State for External Affairs
to Permanent Representative to the United Nations

TELEGRAM 462 Ottawa, November 12, 1952

CONFIDENTIAL. IMMEDIATE.

COLOMBO PLAN: FUTURE CANADIAN CONTRIBUTIONS

Reference: My teletype No. 461 of November 10.

Following for the Minister, Begins: Unfortunately Mr. Abbott left town before Finance officials were able to obtain his approval of the text of the Cabinet memorandum. The question will, therefore, not come before Cabinet at tomorrow's meeting. Mr. Abbott will be back on Friday and it is hoped that a memorandum can be submitted to the Cabinet at its first meeting next week, which will probably be Monday or Tuesday. This will still leave time to include a reference in the Speech from the Throne if Cabinet decides upon legislation. Ends.

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620. DEA/11038-40

Le chef de la délégation à l'Assemblée générale des Nations unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

TELEGRAM 235 New York, November 12, 1952

CONFIDENTIAL

FURTHER CANADIAN CONTRIBUTION COLOMBO PLAN

Reference: Your teletype 460 of November 8.

Following for Wilgress from the Minister, would you please send the following message to the Prime Minister, Begins: I understand Mr.Abbott is taking up with you and other Ministers possibility of legislation to put our Colombo Plan contribution on a statutory basis. I am myself very much in favour of this and hope that it may be possible. Insofar as the amount is concerned, my own feeling is that it would be reasonable to calculate the total on the basis of our first two annual contributions, that is to provide for $100 million over the four remaining years. I think that our contribution at the rate of $25 million a year is now understood and accepted in the country and that any reduction in this amount might be difficult to justify. I am sorry that I will not be present in the Cabinet when the matter is discussed. Ends.

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621. DEA/11038-40

Le secrétaire d'État aux Affaires extérieures au chef de la délégation à l'Assemblée générale des Nations unies

Secretary of State for External Affairs to Chairman, Delegation to the General Assembly of the United Nations

TELEGRAM 126 Ottawa, November 15, 1952

SECRET. IMPORTANT.

COLOMBO PLAN

Following for the Minister:

At the meeting on Wednesday, Cabinet considered the proposal that our participation in the Colombo Plan should be put on a statutory basis. The reactions to the proposal were generally unfavourable, primarily on the basis of domestic political considerations.

2. As an alternative Cabinet instructed the Department of Finance in consultation with other departments to investigate the feasibility of:

(a) Establishing a special account for our Colombo Plan contributions in such a form that any moneys in the account would be available until spent and would not lapse at the end of a fiscal year;

(b) Carrying over into that special account any unspent funds (which may amount to some $15 million) from the current appropriation;

(c) Appropriating a further $25 million to be added to this account in the coming fiscal year.

3. Such a special account would remain open to receive any further appropriations in subsequent years.

4. The Minister of Finance will report to Cabinet on Monday that this course would be feasible and the likelihood is that Cabinet will then give its approval to it.

5. I should be grateful if you could let me have your reaction to this proposal in order that Cabinet may be informed of our views at the Monday morning meeting.

6. Although the alternative course does not seem to us to be as advantageous as the original proposal, we regard it as preferable to the existing arrangements. It would at least ensure that funds would not lapse at the end of each year and it would make possible some advance planning inasmuch as forward commitments could be made up to the amount in the special account at any particular time.

7. Apart from any defects which the proposed course may have from an administrative and planning point of view, it is also open to the criticism that it can be interpreted as "legislation by appropriation". A statute, although it might have attracted considerable attention (which might be regarded as undesirable from some points of view), would seem to be more in accord with established parliamentary procedures.

8. I have discussed the situation with Pickersgill and he has assured me that the opposition in Cabinet to the original proposal was very strong and that it would stand little, if any, chance if it were to be revived at the Monday meeting.

9. In these circumstances you may wish to go along with the alternative suggestion as representing at least an improvement on present arrangements.

622. DEA/11038-40

Le chef de la délégation à l'Assemblée générale des Nations unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

TELEGRAM 292 New York, November 17, 1952

SECRET

COLOMBO PLAN

Reference: Your telegram No. 126 of November 15.

Following for Wilgress from the Minister, Begins: I regret that the Cabinet were not able to support the proposal for legislation covering four years' contributions, but, in the circumstances, I agree that the alternative suggestion is an improvement on present arrangements and I support it. Ends.

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623. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa,] November 17, 1952

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COLOMBO PLAN; FUTURE CONTRIBUTIONS

29. *The Minister of Finance*, referring to discussion at the meeting of November 13th, said it appeared that the best way of handling Canadian contributions under the Colombo Plan would be to have an arrangement similar to that made for contributions to the fund for the development of the National Capital.

30. *The Cabinet* approved the recommendation of the Minister of Finance and agreed that an item be included in the Further Supplementary Estimates for 1952-53 to transfer to a special account in the Consolidated Revenue Fund the unexpended balance of the Canadian contribution to the Colombo Plan for the fiscal year 1952-53, and that an item be inserted in the Estimates to place in the same special account an amount of $25 million as the Canadian contribution under the Plan for the fiscal year 1953-54; the items to be so drawn that the amounts placed in the Account would be available for use after the end of the fiscal year for which they were appropriated.

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SECTION B

COMITÉ CONSULTATIF/CONSULTATIVE COMMITTEE

624. DEA/11038-40

Le secrétaire d'État aux Affaires extérieures
au haut-commissaire au Royaume-Uni

Secretary of State for External Affairs
to High Commissioner in United Kingdom

DESPATCH No. E-449[35] Ottawa, February 19, 1952

CONFIDENTIAL

CONSULTATIVE COMMITTEE MEETING

I attach a copy of a memorandum of instructions which has been prepared for the guidance of the Canadian Delegation to the Consultative Committee meeting.

2. It is in order for you to inform United Kingdom officials of the Canadian position on the various items of the agenda as outlined in the attached memorandum. I should be interested in receiving from you a report on your discussions with particular reference to any points on which United Kingdom views may differ from our own.

ESCOTT REID
for Secretary of State
for External Affairs

[PIÈCE JOINTE/ENCLOSURE]

Note d'instructions

Memorandum of Instructions

CONFIDENTIAL Ottawa, February 19, 1952

COLOMBO PLAN

Draft Instructions to
Canadian Delegation to
Meeting of Consultative Committee in Karachi,
March 24, 1952,
and to preliminary meeting of officials

The following instructions relate to the items in the proposed Agenda, as circulated by the Pakistan Government by telegram No. 623 of February 6, 1952.

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[35] La dépêche porte la mention :/Noted in despatch:
Identical letter sent to: Washington 376, New Delhi 148, Canberra 77, Wellington 76, Colombo 16, Karachi 79.

Preparation of Annual Report

2. The preparation of periodic reports is the most important task of the Consultative Committee. The circulation of these reports is an important means of keeping people everywhere informed of the Colombo Plan and interested in its success; the preparation of the reports provides a valuable stimulus to the implementation of the Plan itself.

3. The meeting at Karachi will be preparing the first comprehensive report since the original "Colombo Plan" of September-October 1950. It will therefore set a pattern for the periodic reports to follow. Accordingly, emphasis should be laid on its interim character. It should be unpretentious and should not attempt to duplicate the original document in form or substance. It should seek to give to readers in every participating country a ready means of finding out what their own country is doing, and what others are doing. In particular, it should be made clear what the United States is doing.

4. These objectives can probably be best attained if the bulk of the report consists of individual chapters (or sections) describing the work of individual countries, of the International Bank and of the Bureau for Technical Cooperation, with a pithy, readable summary and general review in the introduction or the conclusion. However, while the Delegation should press for a report of this general type, its substance is more important than its form, and the Delegation may accept a report in any form that is satisfactory to itself and other Delegations.

5. The Delegation should beware of two dangers. First, the Report should not be over-optimistic about the future of the Plan or of the under-developed countries participating; over-optimism would lead to disappointment. Second, the Report must not, at any point, involve financial commitments for Canada beyond the fiscal year 1952/53, or beyond the amounts for which the government is now prepared to make recommendations to Parliament in connection with the Colombo Plan for that year: viz, $25 millions for economic assistance and $400,000 for technical assistance.

Role of the International Bank

6. It is most desirable that the Bank should be represented at meetings of the Committee and that there should be general, constructive discussions of its past and possible future activities. On the other hand, the Committee is not the proper forum for a general appraisal of the merits of the Bank, of its policies, or of its personnel. The proper forums for such appraisals are the annual meetings of the Governors of the Bank and the regular meetings of its Executive Board.

7. It seems likely that Pakistan will launch some sort of attack on the Bank in the Committee, together with detailed criticisms of its policies and personnel. The Canadian Delegation should not be drawn into any such discussions and should try to head them off by pointing out that they belong in other forums.

Future Organization for Continuing Consultation

8. It is assumed that this item refers primarily to the establishment of a continuing secretariat concerned with economic (capital) assistance.

9. A small continuing secretariat may prove useful as a centre for interchange of information, as a nucleus for the preparation of periodic reports, as a source of guidance for underdeveloped countries in preparing programmes and compiling statistics, and possibly for other purposes. If other countries, including the United States, accept proposals for a modest secretariat for such purposes as these the Canadian Delegation may do so.

10. However, the Delegation should use its best efforts to be sure that the secretariat is kept small. Further, the secretariat should, if at all possible, be set up as an adjunct of the Bureau for Technical Cooperation, rather than an entirely separate and independent international organization. It seems most desirable that, whether or not the new body is formally associated with the old, they should be set up side by side and with the same Director. It is questionable, however, whether the Council for Technical Cooperation in Colombo should become responsible for matters relating to economic assistance, because of the different type of work involved.

11. The most appropriate and effective way of securing coordination, not merely between the activities of the countries contributing under the Colombo Plan but also with the various U.N. agencies in the field, would be the establishment of appropriate arrangements in the national capital of each recipient country. The Canadian Delegation should promote this sort of coordination. However, it should recall that the Canadian Delegation to the last meeting of the Consultative Committee (in Colombo in February, 1951) received similar instructions but found that at least one Asian country was vigorously opposed to any sort of coordination in its national capital. No such coordination can be useful without the cooperation of the recipient countries concerned, and the Delegation should not try to bring any pressure on any of those countries. Nevertheless, there may well have been some change in their positions since last year, and the Delegation should explore the ground again.

Liaison with ECAFE

12. Under this item a proposal may be made that a representative of ECAFE should attend meetings of the Committee. The Delegation should scrutinize this proposal carefully.

13. The policy of the Canadian Government is that work under the Colombo Plan should be carried on in close collaboration and consultation with the U.N. agencies concerned; on this ground representation from ECAFE might seem desirable. On the other hand, there is a danger that, if ECAFE was represented, there would be a demand for representation from a large number of other U.N. agencies and this might prove embarrassing to the Committee. (The International Bank appears to be in a special position vis-à-vis the Colombo Plan.) Moreover Colombo Plan activities are so different in nature from those of ECAFE that it is difficult to see what useful purpose would be served by liaison at the policy-making level.

14. The Canadian Delegation should be guided by these considerations and by any others that may emerge from Mr. Cavell's visit to the recent ECAFE meeting in Rangoon. In any event, the Delegation should not support ECAFE representation in the Committee against the opposition of any major Asian or non-Asian member of the Committee.

15. While there may be serious objection to ECAFE representation in the policy-making organ of the Colombo Plan (i.e. the Consultative Committee), there would appear to be a good deal to be said for coordination on the secretariat level. Should the Committee decide to establish a small continuing secretariat, the Delegation might explore with others the usefulness of coordination between the ECAFE and the Colombo Plan secretariats in relation to such matters as guidance to under-developed countries in preparing programmes and compiling statistics.

Colombo Plan Exhibition

16. No instructions required.

Informal Participation of non-Commonwealth Governments in Colombo Plan

17. The Canadian position is the same as it was at the last meeting of the Committee: if it is proposed that countries such as France and the Netherlands should take some part in the work of the Committee the Canadian Delegation should raise no objections; but such countries should only be included with the agreement of the Asian countries.

Other Business

18. If any other question of importance appears on the Agenda, the Delegation should seek instructions from Ottawa.

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625. DEA/8508-40

Extrait du procès-verbal de la réunion des chefs de direction

Extract from Minutes of Meeting of Heads of Division

Ottawa, February 25, 1952

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THE COMMONWEALTH

Colombo Plan — Consultative Committee

3. *Miss Meagher.* Arrangements for the meeting of the Consultative Committee are going ahead satisfactorily. There will be a preliminary meeting of officials in Karachi beginning March 10 and the Consultative Committee itself will commence its meeting on March 24. It is expected that that Consultative Committee meeting will last one week. The Canadian Delegation will be composed as follows:

Representative

Mr. George J. McIlraith, M.P.,
Parliamentary Assistant to the Minister of Trade and Commerce

Alternate Representative

Mr. K.P. Kirkwood, Canadian High Commissioner in Karachi

Members of the Delegation

Mr. R.G. "Nik" Cavell, Department of Trade and Commerce
Mr. G.D. Mallory, Department of Trade and Commerce
Mr. A.P. Bissonnet, Commercial Secretary, Karachi
Mr. H.H. Wright, Department of Finance
Mr. G.S. Murray, Office of the Canadian High Commissioner, Karachi

The member countries of the Consultative Committee, all of whom will be represented at the Karachi meeting, are: Australia, Burma, Cambodia, Canada, Ceylon, India, Laos, New Zealand, Pakistan, United Kingdom, United States and Viet Nam. The International Bank for Reconstruction and Development has also been invited to participate in the meeting and the governments of countries in the area, which have been invited to join the Colombo Plan and which have not yet come to a decision, have been invited to send observers. These countries are: Indonesia, Thailand and the Philippines. A press release issued from the Prime Minister's Office on February 20 announced the composition of the Canadian Delegation to the Consultative Committee meeting. The same release announced the Government's intention to seek parliamentary approval for contributions in 1952/53 of $25 million for capital assistance and $400,000 for technical assistance under the Colombo Plan.

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626. DF/Vol. 862

Le haut-commissaire au Pakistan
au secrétaire d'État aux Affaires extérieures

High Commissioner in Pakistan
to Secretary of State for External Affairs

TELEGRAM Air No. 1 Karachi, March 19, 1952

CONFIDENTIAL

CONSULTATIVE COMMITTEE

Following from the delegation, Begins: Summary of disposal of agenda items follows. All items have been dealt with except the final draft annual report. We shall report on this later.

2. Discussion on role of the International Bank for Reconstruction and Development was not, repeat not, troublesome. Pakistan's views were presented but it was apparent that other Asian members were not, repeat not, prepared to support them. There was general agreement that the Consultative Committee was not, repeat not, the appropriate forum for such discussions.

3. Discussion on continuing consultation was confined to the narrow issue of establishing small secretariat. Asians took the view that although there might be need for such secretariat there was not, repeat not, sufficient need to warrant action at this time. With reference to paragraph 11 of our instructions,

it appears clear that further exploratory informal discussions are the best way to secure the necessary support for coordination in national capitals. In the course of such discussions we have ascertained that the United States representative believes that it is only possible to achieve such coordination through informal arrangements in capitals concerned.

4. After discussion it was agreed that invitation be extended to the Secretary-General, ECAFE, or his representative to attend as observer at the meeting of the Consultative Committee. No, repeat no, reply to this invitation has been received to date. United Nations Technical Assistance Board also asked to be associated in the same manner. Concensus of the meeting was that the present arrangement for the Liaison Bureau in Colombo and for coordination in national capitals should not, repeat not, be expanded.

5. There was a brief appropriate reference to the Colombo Exhibition. However, Ceylon has introduced item on "cultural cooperation" suggesting that small part of contributions to recipient countries should be devoted to bringing students from outside to study the culture and civilization of countries within the area. As an idea we see no, repeat no, objection to this proposal but have doubts about its implementation. Other Asians did not, repeat not, favour the suggestion. United Kingdom suggested that there might be more appropriate organization than the Colombo Plan for implementing the proposal. Any comments you may have on it will be appreciated since we understand the Ceylonese will press the proposal in Ministerial meeting and possibly at policy session of the Council.

6. Discussion on technical cooperation avoided reference to continuation of the scheme, largely as a result of our efforts behind the scene. We are reporting by separate telegram on the prevailing attitudes of various delegations. Ends.

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627. DEA/11038-40

Le haut-commissaire au Pakistan
au secretaire d'État aux Affaires extérieures

High Commissioner in Pakistan
to Secretary of State for External Affairs

DESPATCH No. 192 Karachi, April 1, 1952.

CONFIDENTIAL

FOURTH MEETING OF THE CONSULTATIVE COMMITTEE

Reference: My Air Telegram No. 1 of March 19, 1952.

The delegation to the Consultative Committee has prepared a report on the Fourth Meeting held at Karachi from March 10 to March 28 inclusive. A copy of this report is enclosed. The report contains comments on each of the items discussed at the meeting of Ministers. Copies of the Annual Report,† Agenda,† prepared statements made by the Canadian delegate,† Press Communique,† minutes of the Ministerial meeting,† and a review of the officials' meeting† are also enclosed. Under separate cover I shall send by sea bag additional copies of the Annual Report, the Minutes of all the sessions and the background papers on which the Report is based.

2. The delegation has already reported in detail on several of the matters discussed at the recent meeting:

(a) In our telegram No. 35 of March 10[36] we mentioned that the additional item on "Technical Assistance" had been placed on the Agenda. This item would have afforded the opportunity for delegates to discuss the continuation of the Technical Assistance Scheme, in particular, the United Kingdom proposal that it be made co-extensive with the Colombo programme for economic development. It was, however, the opinion of several delegations, including the Canadian delegation that the matter could more appropriately be discussed at the Policy Session of the Council for Technical Co-operation, which was due to meet in the first week of April. As a result of efforts behind the scenes, at the meeting of Ministers it was generally agreed that the question of continuation of the Technical Co-operation Scheme should be discussed at, and decided by, the forthcoming Meeting of the Council (our telegram No. 45 of March 22[37] refers).

(b) In our Air Telegram No. 1 of March 19 we gave a summary of the disposal of the various Agenda items at the Meeting of Officials. As may be seen from the delegation's report, there was little new added to the discussion of these items at the Meeting of Ministers.

3. Useful discussions were held with representatives of Australia, New Zealand, Pakistan, the United Kingdom and the United States about co-ordination at national capitals. There seemed to be general agreement that such co-ordination was necessary and would be of value. Arrangements were initiated for holding regular meetings in Karachi as follows:

(a) Meetings of local representatives of Australia, Canada, New Zealand, Pakistan and the United States to discuss the progress of programmes for economic development; and

(b) Meetings of local representatives of Australia, Canada, Pakistan and the United Kingdom to discuss the progress of the programme for technical cooperation. (It was anticipated that this group would be expanded to include representatives of the United States and the United Nations Technical Assistance Board.)

These meetings will be of an informal nature but will be held regularly once a month. We shall be reporting on them more fully at a later date. In discussing this matter the delegation kept in mind the points made in the exchange of telegrams on this subject between New Delhi and Ottawa, with particular reference to your telegram No. 50 of March 14.[38]

4. As reported in our telegrams No. 47 of March 26† and No. 50 of March 27,† the representative of India issued a formal invitation for the next meeting of the Consultative Committee to be held in Delhi. In accordance with your

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[36] Non retrouvé./Not located.

[37] Non retrouvé./Not located.

[38] Non retrouvé./Not located.

instructions the Canadian delegation welcomed this invitation. The Indian delegate stated that, in order to lighten the burden on officials at the preliminary meeting and the work of the secretariat, his Government proposed to take steps well in advance of the meeting to ensure that the documentation was completed. He made the useful suggestion that officials of the Indian Government might correspond with officials of other governments who had taken part in the Karachi meeting. By this pooling of experience, it might be possible to overcome many of the difficulties. In particular, the heavy burden on the drafting committees might be eased. The Indian delegate said that his Government would welcome any suggestions which other Members might wish to offer about the organization of the work for the next meeting.

5. The local press has throughout the period of the meeting devoted considerable space to Colombo Plan matters. At the beginning of the meeting of Ministers, a special supplement was included in *Dawn* with photographs of the leaders of the delegations and special articles on the various aspects of the Plan. The reports on the proceedings in the conference room have been largely speculative, although it was obvious that some information leaks of an innocuous nature had occurred. Before the sessions began there was speculation on whether Japan would be admitted to the Colombo Plan. These reports seemed to have originated in London. As far as we know, none of the representatives at the meeting raised the matter of Japan's participation in the Plan. This is not to say that the question of Japan's admission might not be raised at future meetings.

6. The Press Information Department has released the complete text (copy of which is enclosed) of the closing remarks made by the Chairman, Mr. Fazlur Rahman, Minister for Commerce, Education and Economic Affairs. Mr. Wright discussed this statement with Mr. M. Ismail, Deputy Secretary of the Ministry of Economic Affairs. Mr. Ismail maintained that the remarks should be taken in the "family spirit" in which they were delivered. In particular, contributing countries should not read too much into the suggestion that "there is at once the right and obligation for the giver to give and for the receiver to receive." This notion, he added, should be considered in the context of the friendly atmosphere in which Mr. Fazlur Rahman's remarks were made.

7. Mr. McIlraith has been provided with a copy of the report prepared by the delegation.

K.P. KIRKWOOD

[PIÈCE JOINTE/ENCLOSURE]

Rapport de la réunion du Comité consultatif

Report of Meeting of Consultative Committee

CONFIDENTIAL [Karachi, n.d.]

Following the officials' meeting held between March 10 and March 21, the meeting at Ministerial level was in session from March 24 to March 28, 1952. Although some representatives were initially inclined to use the conference table as a platform for propaganda speeches, the majority confined themselves to the business in hand and made comment only when the position of the government concerned required clarification. The atmosphere of the meetings was most cordial and conducive to full understanding and co-operation.

Annual Report

2. The Report is longer and more detailed than might have been desirable. The real emphasis, however, is on the progress which has been achieved during the first year of the Plan. At an early stage in the officials' meeting the decision was taken to refrain from making detailed forecasts about the terms of trade of the countries of the area and about the resources available for development projects under the Plan. At the same time the view was stressed that the Report should avoid repetition, as far as possible, of material which had appeared in the first report on the Colombo Plan.

3. The two opening chapters and the final chapter comprise the general sections of the Report; and had to be carefully considered by the officials (including members of the Canadian delegation) responsible for the draft report. As you will appreciate, these chapters represent a compromise between several widely divergent views, stemming in the main from the difference in approach between the recipient and the contributing countries. The general chapters, although vague in many respects, contain nothing which can be construed as committing Member Governments to courses of action not hitherto agreed upon. The general impression is that the chapters represent the best possible balance of viewpoint of the various member countries.

4. The most informative chapters are those describing the progress which has been achieved by the countries in the area — that is, Chapters III to VIII inclusive. The general conclusion is that commendable progress has been achieved and that the Colombo Plan has acted as a spur to the implementation of the plans for economic development in the area. In these chapters statistical tables have been kept to a minimum but the interested reader can refer to them among the appendices to the report. Chapter IX, entitled "Contributions to the Economic Development of South and South East Asia", describes briefly the contributions of the various countries outside the area, including the United States, and refers to the contributions made by India and Pakistan to technical assistance within the area. The objective of giving the readers in every participating country "a ready means of finding out what their own country is doing and what others are doing" was kept in view.

5. The report is not over optimistic about the future of the Plan or of the under-developed countries participating; and it does not, at any point, involve financial commitments for Canada beyond the fiscal year 1952-53, or beyond the amounts for which the Government is now prepared to make recommendations to Parliament in connection with the Colombo Plan for that year.

Technical Assistance

6. As previously reported, at the opening session of the officials' meeting an item on "Technical Assistance" was added to the agenda. The Canadian

delegation contributed to the efforts to confine the discussion at the Consultative Committee on this item to general remarks about the progress of the Technical Co-operation Scheme. It was apparent that several delegations were prepared and anxious to discuss the continuation of this scheme and to take steps to make it co-extensive with the Colombo Plan for economic development. The Canadian position was discussed informally with the delegations of Australia, India, Pakistan, New Zealand and the United Kingdom. A report on these conversations was made by telegram. It was generally agreed that the forthcoming policy session at Colombo of the Council for Technical Co-operation was the appropriate forum for discussion and decision on points of substance.

7. At the Ministerial meeting, discussion on the continuation of the Technical Co-operation Scheme was introduced by the Chairman. Several delegations, including Australia, Burma, India, New Zealand, Pakistan and the United Kingdom indicated support in principle for the proposal. The sense of the meeting, however, was that, although there seemed to be general agreement about the continuation of the Scheme, the matter would be fully discussed by and decided by the Council. The delegation took no steps at the formal meetings to explain the Canadian position.

Role of the International Bank

8. At the meeting of officials Pakistan attempted to introduce discussion on the policies and procedures of the International Bank. It immediately became obvious that Pakistan would obtain no support from countries either in or outside the area. The consensus of the meeting was that this item had been placed on the Agenda to enable the Bank's representative to review its operations in the region and not to discuss policy matters relating to the Bank.

9. At the meeting of Ministers, the representative of the International Bank gave a helpful explanation of the role of the Bank in rendering economic aid to countries in South and South East Asia. His list of items of assistance already given included the announcement that the railway loan of about $27,000,000 to Pakistan had been finalized. The Pakistan representative joined with other Asian members in expressing what appeared to be sincere appreciation of the efforts being made by the Bank. It seems likely that the discussion of this item at the Consultative Committee has served the useful purpose of clarifying the Bank's position and of satisfying Pakistani representatives that Pakistan was not being discriminated against.

Future Organization for Continuing Consultation

10. The discussion of this item was confined narrowly to the question of setting up a permanent secretariat. The Asian countries, India and Pakistan in particular, expressed doubt that the need for such a secretariat was sufficient to warrant its establishment at this time. The representative of India made the helpful suggestion that the host country for subsequent meetings should be permitted to seek assistance through correspondence with officials who had participated in the previous meeting. At the officials' meeting the Canadian

representative indicated that, if there was general agreement with the proposal, he could see no objection to setting up a small secretariat as an adjunct to the Bureau and, in any case, under the same director. Other delegations supported this view; but since the consensus of the meeting was against the proposal for a secretariat, the question was left open for future consideration.

11. Regarding co-ordination at national capitals, as a result of informal discussions, arrangements were initiated for regular meetings on economic assistance to Pakistan to be held in Karachi by representatives of Pakistan, of countries contributing under the Colombo Plan and of the United States; and for separate meetings of representatives of Australia, Canada, Pakistan and the United Kingdom to be held regularly to discuss the progress of the Technical Co-operation Scheme. It was suggested that after a short trial the latter group might be expanded to include representatives of the United Nations Technical Assistance Board and the United States. A detailed report on these developments is being submitted separately.

Colombo Exhibition

12. Apart from a number of short statements congratulating the Government of Ceylon, there was no discussion on this item.

Cultural Co-operation

13. The representative of Ceylon added this item to the Agenda. His proposal was that a small portion of each country's contribution to the Technical Cooperation Scheme should be set aside to facilitate an exchange of students of cultural subjects. This proposal found little favour and was therefore dropped. It was suggested that other organizations were better suited for dealing with cultural exchanges, such as UNESCO, of this kind; and that in any event a form of cultural exchange resulted from the ordinary operation of the Technical Co-operation Scheme.

Liaison with E.C.A.F.E.

14. At the officials' meeting the decision was taken to invite the executive secretary of E.C.A.F.E., or his representative, to attend the meeting of the Consultative Committee as an observer. The Executive Secretary attended the Ministerial meeting and made a statement on the role of ECAFE in the region.

15. A similar invitation was solicited by Mr. David Owen, Chairman of the United Nations Technical Assistance Board. The officials' meeting decided that present arrangements with T.A.B. should not be expanded. It was suggested, moreover, that the representative of ECAFE could provide the liaison with the United Nations and its specialized agencies. In this regard the Executive Secretary of ECAFE mentioned the keen interest taken by Mr. David Owen in the activities under the Colombo Plan; and stated that a permanent liaison officer from T.A.B. would take up his duties on April 6 in Colombo, where he would work closely with the Bureau.

Membership

16. Burma and Nepal attended this Meeting of the Consultative Committee as new members. Representatives from Cambodia and Viet Nam were also present; as were observers from Indonesia, Philippines and Thailand. Laos, although a member, was not represented. There was no discussion, informal or otherwise, on whether other countries outside the area, notably France and the Netherlands, should be associated with the work of the Consultative Committee.

Publicity

17. At the officials' meeting it was agreed that there would be no publicity. At the Ministerial meeting the decision was taken to issue short daily bulletins through the Secretariat; and a Press Committee (including Canada) was established to draft the press communique issued at the end of the meeting. Nevertheless, throughout the period of the meetings there was ample evidence in the local press of leakages about proceedings at the conference table. These press leaks were, generally speaking, of an innocuous nature.

Documents Attached†

(1) Agenda
(2) Minutes of Meeting of Ministers
(3) Formal Statements Made by Canadian Representative
(4) Review of Official Meeting
(5) Press Communique

To Be Forwarded

(1) Annual Report (1 copy by air)
(2) Minutes of Officials' Meeting
(3) Draft Chapters Submitted by Member Governments

SECTION C

ASSISTANCE TECHNIQUE DU PLAN DE COLOMBO
COLOMBO PLAN TECHNICAL ASSISTANCE

628. DEA/11038-E-40

Le sous-secrétaire d'État aux Affaires extérieures
au représentant auprès du Conseil de coopération technique

Under-Secretary of State for External Affairs
to Representative, Council for Technical Co-operation

LETTER No. V-10 Ottawa, January 31, 1952

CONFIDENTIAL

RELATIONSHIP BETWEEN THE COLOMBO PROGRAMME FOR TECHNICAL CO-OPERATION AND THE TECHNICAL ASSISTANCE PROGRAMMES OF THE UNITED NATIONS AND THE SPECIALIZED AGENCIES

When the Government gave its final approval to the Canadian contribution to the United Nations Expanded Programme, and to the Colombo Technical Co-operation Programme, in June 1950, the Prime Minister was most explicit about the relationship which should be established between the two programmes. In his opinion it was important to ensure that there be no duplication between the United Nations Programme and the one agreed to at Sydney and that Canadian efforts be directed towards integrating the two programmes to as large an extent as possible. It was his opinion that the most satisfactory arrangement might be to have both programmes handled though the same organization. Canadian representatives were instructed to endeavour to have measures taken to ensure that there be no duplication between the work of the Consultative Committee's technical assistance programme and that established by the United Nations and that everything possible be done to merge the two schemes.

2. Earlier, the Secretary of State for External Affairs had assured United Nations officials of our intentions in participating in the Colombo Programme. In February 1950, he wrote to Mr. F.L. McDougall, Special Assistant to the Director-General of the F.A.O., "nothing must be done without the clear understanding as to what is already being done by the United Nations Economic Committee for the area, F.A.O., etc."

3. The Canadian Delegation to the Sydney meetings in May, 1950, had been instructed by the Government to make clear that before considering any contribution to technical assistance for the Commonwealth and non-Commonwealth countries in South and South-East Asia, the Government would wish to have information concerning the way the programme would fit in with United Nations technical assistance.

4. Mr.Pearson thought it necessary to seek the assurance of the Australians about their intentions and Mr. Spender[39] had replied that he was urging "the greatest possible use of all United Nations agencies in the area and the smallest practicable Commonwealth organization, which we envisage would cease to function at an early date when participation by other countries was achieved."

5. In his report on the meetings of the Standing Committee on Technical Co-operation which met in Colombo in August 1950, prior to the setting up of the Council for Technical Co-operation, the Canadian Representative reported that the United Kingdom and New Zealand representatives were in agreement with him that we would be advised to exercise vigilance against the tendency of Australia and the Asian countries to overlook the fact that aid under the scheme must be only supplemental to aid which might be procured under other schemes, particularly those administered by the United Nations.

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[39] Sir Percy Spender, ambassadeur d'Australie aux États-Unis.
Sir Percy Spender, Ambassador of Australia in United States.

6. At the Consultative Committee meeting in Colombo in February 1951 and at the meeting of the Council for Technical Co-operation which followed, the Canadian Delegation stressed the importance the Canadian Government attached to the closest possible co-ordination of the two programmes. The United Kingdom representative appeared to be in tacit agreement. The Indians and Pakistanis, who have always hoped that they could obtain from the Colombo Programme assistance which they maintained they had not been able to obtain from the United Nations, expressed no opinion. The Ceylonese tended to be unaware of the activities of the United Nations. The Australians were entirely preoccupied with their proposed activities in the area under the Colombo Plan to the exclusion of all other considerations.

7. When Mr. Coomaraswamy, President of the Council for Technical Co-operation, spoke to the Interdepartmental Group on Technical Assistance in Ottawa last autumn, he referred to the usefulness of his conversations with United Nations officials and of the need for co-ordination between the two programmes. He added, however, that whereas the Colombo Programme had been designed to supplement United Nations activities in the area, it was proving so successful that it was, in fact, becoming complementary to the United Nations programme.

8. We have been encouraged by the reports we have received of the visits of Mr. Geoffrey Wilson, Director of the Bureau in Colombo, made to New Delhi and Karachi. These reports would seem to indicate that he attaches great importance to co-ordinating Colombo Programme activities with those of the United Nations and other agencies giving technical assistance to South and South-East Asia. We were particularly interested in the specific suggestion he made for consideration by the Council in Colombo to the effect that all requests for experts might, in the first instance, be directed to the United Nations and should regret it very much if the Council did not give sympathetic consideration to proposals of this kind.

9. I attach for your information and guidance the text of a statement of policy on this subject which was approved by the Interdepartmental Group on Technical Assistance at its twenty-second meeting on January 30.

10. You will note that this statement underlines the fact that the Canadian Government considers the Colombo Programme for Technical Co-operation as a temporary supplement to the programmes of the United Nations and the Specialized Agencies. It means that plans for Canadian activities under the Colombo Programme will be drawn up in the light of our opinion that the Colombo Programme and the United Nations Programmes should be merged in a few years. We must at the same time avoid the danger that the existence of the Colombo Programme will result merely in replacing during the next few years technical assistance which the United Nations and the Specialized Agencies would otherwise have given to South and South-East Asia. The essential thing is that technical assistance under the Colombo Programme should supplement United Nations technical assistance; we should not compete with it or replace it. It could, however, provide "a missing component" for a United Nations project.

11. Copies of this letter are being sent to our High Commissioners in New Delhi, Karachi, London, Wellington and Canberra, to the Embassy in Washington and to the Permanent Delegation of Canada to the United Nations, New York.

ESCOTT REID
for Under-Secretary of State
for External Affairs

[PIÈCE JOINTE/ENCLOSURE]

Déclaration de principes

Statement of Policy

CONFIDENTIAL [Ottawa, n.d.]

"Approved by the Interdepartmental Group on
Technical Assistance at its twenty-second
meeting on January 30, 1952."

The Canadian Government regards the Colombo Programme for Technical Co-operation as a temporary supplement to the technical assistance activities of the United Nations and the Specialized Agencies in an area where the needs are specially urgent. The Canadian Government considers it important, therefore, not only to avoid any duplication or overlapping between the United Nations Programme and the Colombo Programme but also to insure that every effort is directed towards integrating the two programmes to as large an extent as possible.

We have noted with satisfaction the appointment of a United Nations Liaison Officer to the Bureau in Colombo and the steps which governments participating in the Colombo Programme have taken to co-ordinate technical assistance activities at a national level.

Nevertheless, in view of the fact that in our opinion the Colombo Programme and the United Nations Programme should merge in a few years, we would continue to urge:

1) The greatest possible use by both recipient and donating countries of all United Nations agencies offering technical assistance to the area;

2) That requests for assistance by countries in South and South-East Asia, through the Bureau in Colombo, be made with due regard to United Nations activities in the area and, where advisable, in consultation with the United Nations and the Specialized Agencies;

3) That offers of technical assistance to countries of the area by other countries participating in the Colombo Programme be made with due regard to United Nations activities in the area and, where advisable, in consultation with the United Nations and the Specialized Agencies;

4) That the Council in Colombo recommend that member governments give sympathetic consideration to proposals for joint projects to be undertaken by the United Nations or the Specialized Agencies and a country giving assistance

under the Colombo Programme in which "a missing component" for a United Nations project might be supplied through the Colombo Programme.

629. DEA/11038-A-2-40

Le haut-commissaire en Inde
au secrétaire d'État aux Affaires extérieures

High Commissioner in India
to Secretary of State for External Affairs

DESPATCH No. 219 New Delhi, February 1, 1952

CO-OPERATION AMONG VARIOUS COUNTRIES GIVING TECHNICAL AID TO INDIA

Reference: Our letter No. 1182 of November 20, 1952 [1951]

You will recall that in our letter under reference we reported at length upon the discussions we had had with the Director of the Bureau on the above subject. We mentioned, too, that Mr. Ghosh of the Indian Department of Economic Affairs had seemed quite struck with the idea of some sort of committee on the National level to assist in achieving a co-ordination of effort which might bear more fruitful results than the present individualistic or strictly bi-lateral approach.

2. We have gathered from Mr. Burns's letter to you, No. 297 of December 14, 1951, that this new idea would not be very warmly received in Colombo, at least until its implications have been more fully explored. At the same time it has been our understanding that the principle of co-operation at the national level, particularly if supported by the Government of India, has your approval.

3. The latest development here in regard to the establishment of some kind of co-ordination has been the receipt of advice from Mr. Ghosh that Indian officials desire to hold a meeting on this subject on February 4 with representatives of the Australian, United Kingdom and our own offices. We have agreed to attend the meeting and Mr. Jay[40] will go on our behalf.

4. Mr. Ghosh has, of course, been meeting periodically with United Kingdom officials to discuss their technical aid, and he has had similar talks from time to time with us. His meetings with United Kingdom officials have apparently been on a somewhat more regular and fixed basis than ours, and Mr. Ghosh has suggested that we too might meet with him or his representative in the same way as United Kingdom officials. We expect to discuss this suggestion with him shortly, to determine what it is exactly that he has in mind. Mr. Ghosh has frequently said that his informal relations with us have been singularly free from difficulty and useful.

5. His main proposal is that, whether or not we accept this suggestion, there should be a general meeting with the representatives of the United Kingdom High Commission as well as those of Australia and Canada to discuss matters

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[40] R.H. Jay, troisième secrétaire, haut-commissariat en Inde.
R.H. Jay, Third Secretary, High Commission in India.

of general importance falling under the Commonwealth Technical Assistance Scheme. He adds "More specifically, we thought we could discuss outstanding requests made by us on the various Governments in the Commonwealth in order to see whether any readjustments for their distribution between the various Governments was necessary and possible. It might be useful to discuss the placement of new requests also at such a meeting. We thought that such meetings would be useful in keeping the machinery of technical assistance, so far as we are concerned at New Delhi, in good gear." He hopes that such general meetings might be held regularly every month.

6. In the light of what has been said above and because experience has shown us that Mr. Ghosh and Mr. Prem Narain, the Indian officers directly concerned, are keen and efficient, we are most anxious to give them every assistance in trying to work out procedures which may not only speed up the flow of technical aid but also help to ensure its significant character. Nevertheless, we have not failed to notice that the rather broad language used in the first paragraph of the letter to Mr. Pickard to set the stage of the meeting, may well contain the seeds of an approach to this matter which might, if not carefully watched, hatch out in procedures that would overlap the activities of the Bureau.

7. This assessment of the invitation from Mr. Ghosh is certainly that of the representatives of the United Kingdom office here, who have been instructed to keep strictly to bi-lateral negotiations with the Indian authorities, although Mr. Eric Midgley, Assistant Trade Commissioner, has been delegated to attend this first meeting. In conversations with both Mr. Pickard, Counsellor of the United Kingdom High Commission, and Mr. Midgley we have been questioned as to our attitude. We have answered that we had not as yet had your advice on the present Indian proposal but that, although we are aware of the difficulties of co-ordinating in the manner suggested in paragraph 5 above without cutting across the responsibilities of the Bureau, we are prepared to give the Indian authorities encouragement in any honest effort to improve administrative techniques and to increase the free exchange of information. We have pointed out, too, the cogency of the arguments put forward by Mr. Wilson and Dr. Mani (Director of W.H.O. here) in support of a concerted effort on the part of all "giving" agencies to meet in a really lasting and fruitful way the demands of a few areas of need as opposed to the rather "scatter-shot" practices now followed. Mr. Midgley has admitted privately the force of some of these views, at least to the extent that it seems worthwhile to follow the lead of Mr. Ghosh *pro tem* to see what will or can develop.

8. At the meeting on February 4 we shall (a) encourage the plan to hold regular meetings so long as this does not cut across the work of the Bureau, (b) endeavour to bridge the gap between the Indian and Australian point of view on the one hand and the United Kingdom view on the other, (c) avoid any definite commitment pending advice from you.

WARWICK CHIPMAN

630. DEA/11038-A-2-40

Le haut-commissaire en Inde
au secrétaire d'État aux Affaires extérieures

High Commissioner in India
to Secretary of State for External Affairs

DESPATCH No. 256 New Delhi, February 11, 1952

RESTRICTED

CO-OPERATION AMONG VARIOUS COUNTRIES GIVING TECHNICAL AID TO INDIA

Reference: My despatch No. 219 of February 1, 1952.

The meeting referred to in my despatch under reference took place as arranged on February 4, 1952, in the office of Mr. O.K. Ghosh, Department of Economic Affairs, Ministry of Finance.

2. Mr. Ghosh was supported by Mr. Prem Narain of the same Department. The United Kingdom was represented by Mr. E.A. Midgely, Trade Commissioner, and Mr. Griffiths, Executive Officer. Australia was represented by Mr. R. Birch, Third Secretary, and Mr. Jay was present on our behalf.

3. Mr. Ghosh opened the meeting by explaining that the idea of co-operation at the national level had been suggested as early as the February 1951 meeting of the Council. Mr. Wilson, Director of the Bureau, had, during his subsequent visit to India, discussed this suggestion with the Indian officials concerned, who had now decided to test the proposal in practice. Mr. Ghosh believed that joint meetings would, on the whole, produce more efficiency in the technical assistance work, at least as far as India is concerned, but he emphasized that he was still only groping towards more effective procedures. He expressed the hope that the western Commonwealth countries represented in Delhi would cooperate in the test.

4. He proposed that joint meetings might be held, say on the first Monday of every month, to discuss the peculiar problems arising out of the administration of Colombo technical aid to India, and to deal more specifically, in a preliminary way, with new applications contemplated by the Indian Government. He pointed out that after discussion of proposed new applications at the joint meetings, representatives of the High Commissions, or one of them, as the case might be, could correspond with their home Governments to learn whether it was *likely* that the requests could be met. If it developed that assistance *might* be available — with no commitment yet having been given or expected — the Indian authorities would then formally send the application through Colombo.

5. Mr. Ghosh explained that this procedure would obviate a great deal of the correspondence now being carried on between New Delhi and the Indian representative on the Council. He said, too, that he understood that the representatives on the Council of the western countries had in almost every instance to refer back to their Governments in any case. The fact that most of

the points of difficulty arising out of an application would have already been cleared up as a result of the meetings in New Delhi where all relevant information would be more readily available, should, he felt, appeal to the representatives in Colombo who must, under the present system, be most harrassed. Another advantage which might be expected to result from the adoption of his proposal would be the decrease in the volume of correspondence requiring to be filed and recorded by the Bureau. He said that it seemed regrettable 3hat Mr. Wilson should be tied by his onerous responsibilities in this regard to Colombo rather than be free to travel to the various capitals.

6. Mr. Birch felt that Australia would be happy to associate itself wholeheartedly with the joint meetings in Delhi. Mr. Midgely also agreed to cooperate, but added that the authorities in London would have to be consulted before he could pledge support. Mr. Jay said that he could see no real objection to trying the meetings for a time to see what might develop, although no specific instructions from Ottawa had been received.

7. The meeting then discussed briefly and in a general way the question of associating other contributing agencies in India with the plan for coordination. The consensus of the meeting seemed to be that, after the present proposal had had a sufficient opportunity to prove its usefulness or otherwise, it might then be worthwhile considering more carefully whether specialized agencies might not be included. Mr. Midgely, without having an opportunity to make a categorical statement, nevertheless made it clear that the United Kingdom would be cool to the idea of including the United States in joint meetings.

8. Mr. Ghosh said that quite apart from the question of positive and active co-operation with the specialized agencies, the Indian Government might put in requisitions to Colombo for assistance designed to round out and to make fully effective projects being executed by the United Nations bodies in this country. He emphasized that any such application would fully describe the proposed destination of the assistance requested.

9. Mr. Prem Narain suggested, and it was agreed, that all dealings with Indian award winners in regard to travel arrangements, should be channelled through him. This does not mean that the Indian authorities will make reservations, but only that they will help to ensure that the students and others take advantage of the reservations already secured by one or other of the High Commissions. This is, as you know, the procedure we have been following.

10. Mr. Ghosh drew attention to the desirability of having all of the outlets for assistance within a "giving" country co-ordinated under the Colombo Plan. He mentioned, as an example, and was supported by Mr. Midgely, that private institutions in the United Kingdom — including the Brush-Oboe Group and others felt to be worthwhile by the United Kingdom authorities — had agreed not to make awards available to Indians except through the Colombo Plan. Mr. Prem Narain drew attention to the fact that Canada had apparently not made a similar arrangement. In this regard he referred to a recent Indian Ministry of Health press announcement, a copy of which is attached.† The announcement concerned an offer of internships and residenceships for Indian medical graduates received from several hospitals in Canada. The way in which this

offer was arranged appeared to be very little understood by either Mr. Ghosh or Mr. Prem Narain. It seems, however, that the arrangements may have been made by the Ministry of Health acting through Mr. Saksena in Ottawa. The first intimation we received of the offer was, of course, the press release.

11. Mr. Prem Narain told Mr. Jay privately that although he personally felt that it would be excellent to have all of the giving agencies in a western country co-ordinated through the Colombo Plan, he was a little worried at what might be the result should the Colombo Plan cease to exist. He wondered whether a lot of the agencies or institutions, which had for a long time been giving aid to India, might not then automatically cease to do so.

12. Mr. Ghosh pointed out that the Indian authorities had now agreed that experts coming to this country under the Colombo Plan would be given the same privileges as United Nations personnel with regard to duty free entry of their personal effects. He said also that relief from Indian income tax would be granted. This would be effected by first deducting the tax from the salaries of the experts, who would then receive compensation through the organization to which they might be attached.

13. Mr. Ghosh said that detailed information about the various Universities, from which students are going forward to accept awards under the Colombo Plan, is being prepared and will be circulated to the High Commissions.

14. Mr. Ghosh pointed out that the draft report of the Director of the Bureau emphasizes that demands for technical assistance equipment have not been made by the Indian Government. He explained that the Australians had not waited for specific requests but had examined the field and made offers. He agreed, however, that it would assist the western countries if it were known what kind of equipment would be most useful to India. He promised to hand out copies of a list of the kinds of equipment required to each of the representatives at the next joint meeting.

15. Mr. Jay asked whether the Indian authorities could explain the fact that a very limited number of experts had come forward to India during the first year of the Colombo Plan. Mr. Ghosh said that Indian applications had been, to date, for experts of a high calibre which the western countries did not seem to be in a position to release. He pointed out that the requests from the private sector of industry in India will now be coming up for consideration and he believed that more requests for master mechanics and foremen would be put forward.

16. The main proposal made by Mr. Ghosh would appear to go further in the direction of assuming the functions of the Bureau, vis-à-vis India, than we might consider desirable without consultation with the Bureau. The procedure suggested would also mean more work for this office. On the other hand, we have been as conscious as Mr. Ghosh of a need for some more direct technique to facilitate the work of selection. Since the Indians are evidently making the proposal because they sincerely desire to improve the efficiency of present procedure, we perhaps should give it sympathetic consideration.

17. I feel the periodic joint meetings should be supported in any case. They are in line with the general view enunciated by Canada from the beginning and they would be valuable as a means of keeping representatives of all Governments and agencies in Delhi informed of what each is doing for India. They would probably also assist us to do "follow-up" work on particular applications intelligently.

18. It would certainly seem desirable to include representatives of the United Nations agencies. I would also think it desirable to include the Americans. I do not know what objection the British have to this. Possibly they feel the Americans, at this early stage, would prefer to work with the Indians directly. I know, however, that Mr. Wilson, the T.C.A.[41] administrator in India, has been instructed to keep closely in touch with representatives of Colombo Plan countries. Perhaps liaison with the Americans can be achieved separately for the present.

WARWICK CHIPMAN

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631. DEA/11038-A-2-40

Le secrétaire d'État aux Affaires extérieures
au haut-commissaire en Inde

Secretary of State for External Affairs
to High Commissioner in India

TELEGRAM 58[42] Ottawa, March 13, 1952

CONFIDENTIAL

TECHNICAL ASSISTANCE COORDINATION IN NEW DELHI

Reference: Your despatch No. 256 of February 11.

Following for the Minister, Begins: You should give every encouragement to Indian initiative in proposing regular meetings to which we attach great importance. You should at the same time endeavour to secure agreement to broaden the membership so as to include United States and United Nations representation.

2. We understand the Australian High Commissioner in New Delhi has been instructed to "strongly contest" United Kingdom opposition to the participation of United States officials in these meetings. You should support Australian representations to the United Kingdom High Commissioner on this subject.

3. We should be grateful for any explanation you can offer of the narrow approach of the United Kingdom officials to the question of coordination of technical assistance activities of which this is merely one of several recent examples.

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[41] Technical Cooperation Administration.

[42] Le télégramme porte la mention :/Noted in telegram:
Repeat to: The High Commissioner for Canada, Karachi, Pakistan, 50; The High Commissioner for Canada, London, England, 573.

4. We understand the Australian High Commissioner has also been instructed to give encouragement to a proposal for consultations in New Delhi without the participation of the Indians. While it is not clear to us what this proposal implies, we think it most inadvisable to consider any suggestion which might lead to a formal pattern of consultation in New Delhi which would exclude the Indians. Ends.

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632. PCO

Note du secrétaire d'État aux Affaires extérieures pour le premier ministre

Memorandum from Secretary of State for External Affairs to Prime Minister

Ottawa, April 1, 1952

FUTURE OF THE COLOMBO PROGRAMME FOR TECHNICAL COOPERATION

Since the setting-up of this three-year Programme in 1950 we have stressed to other members of the Commonwealth that we consider it a temporary supplement to the United Nations Technical Assistance Programme and had participated in it in the expectation that the two programmes should be merged in a few years.

2. Recently the United Kingdom has asked for agreement in principle to an extension of the programme to make it co-terminous with the six-year Colombo Plan for capital assistance.

3. In reply we gave our opinion that the Colombo Technical Cooperation Programme could not be extended without reference to its financing during the proposed period of extension. We pointed out the particular need for continued support to the United Nations Technical Assistance activities in view of the United Nations' present political difficulties and said we were unwilling to discuss the future of the programme without reference to steps which should be taken to merge it with the United Nations Programme.

4. As result of our representations other members of the Commonwealth agreed to defer discussion until the policy session of the Council on Technical Cooperation which meets in Colombo on April 3 in order that the matter might be discussed thoroughly in Karachi where the Consultative Committee meetings are presently going on.

5. As we had foreseen, other participating governments intend to favour continuation of the Technical Cooperation scheme for the Colombo Plan period. Our Delegation reports, however, that our view of the importance of close coordination with United Nations Programmes is now fully appreciated.

6. Other participating governments will announce their support for the proposal to extend the programme and I should be reluctant to announce our decision to break away from the programme after 1953. I should also be reluctant to announce that we are reserving our position.

7. Failure to continue the Technical Cooperation Programme may be taken by Asian countries as reflection on the attitude of contributing countries towards the Colombo Plan generally, especially because the present difficult supply situation means that more emphasis is being put on the technical assistance side of the Plan. Certain types of technical assistance can better be undertaken under the Colombo Programme than by the United Nations and there is a vital need for technical assistance which paves the way for most effective use of capital assistance. Weight should be attached, I think, to the aspect of Asian and Western cooperation in the Commonwealth context. I intend, therefore, if you agree, to instruct the delegation to make a statement which, I think, encompasses our basic views but also resolves these difficulties.

8. The main points of this statement would be as follows:

> As our economic assistance programmes for the first two years move forward they are likely to require technicians in numbers almost to exhaust the supply available in Canada. Consequently, we envisage tying together on a bilateral basis our technical and economic assistance. Multilateral technical assistance will mainly receive our support through the United Nations. The Government's view that the Colombo Programme for Technical Cooperation is a temporary supplement to the programme of the United Nations, and that our activities will be guided by the opinion that these programmes should eventually be merged, will be stressed.

The statement would then emphasize that the Canadian Government understands that other members of the Council share the view that assistance under the Colombo Programme should not compete with or attempt to replace assistance in the United Nations and that on the basis of this understanding we would welcome the continuation of the programme for the six-year period of the Colombo Plan. The statement would point out that our agreement to extend the programme involves no financial commitment whatsoever because Parliament authorizes expenditures on a yearly basis and that, consequently, the question of contributions would have to be reviewed and recommendations submitted to parliament each year.

9. By continuing our membership in this programme we would in effect be agreeing to continue to share in the operating costs of the Bureau in Colombo which on the basis of experience so far amounts to about $4,000 annually. I do not think this should pose any great difficulty because the proposed statement by our delegation would leave the Government free to consider on a later date the possibility of technical and capital assistance for South and South-East Asia coming out of the same vote.

L.B. PEARSON

633. DEA/11038-G-40

Note

Memorandum

SECRET [n.d.]

POLICY SESSION OF THE COUNCIL FOR TECHNICAL CO-OPERATION: APRIL 4-APRIL 9, 1952[43]

Generally speaking the meetings were held in an atmosphere of cordial co-operation. At first sight the agenda did not seem to include many items of importance or urgency. Before the opening of the session several delegates expressed surprise that the Policy Session should be held at this time; and that it had not been held in Karachi immediately after the meeting of the Consultative Committee. It was our impression at the time of the Consultative Committee sessions that the Pakistanis were ready and willing to hold the Council meeting at Karachi. At Colombo I asked Mr. M. Ismail, Deputy Secretary of the Ministry of Economic Affairs, why the Policy Session had not been held in Karachi. I pointed out to him that several delegations had expected Pakistan to take the initiative in this regard. In reply, he agreed that Karachi was the obvious choice but said that at the request of Mr. A.C.B. Symon of the United Kingdom delegation the Pakistani authorities had not pressed the matter.

Report by the Director

2. Copies of the Director's report, Bureau Document C/52/15 and C/15/add.,† have already been sent to Ottawa. The discussion on the report related to the following aspects of the Technical Co-operation Scheme.

(a) *Training Programme:*

The programme for the training of Asian candidates abroad had been, in the main, successful. It had become apparent that taken as a whole the contributing countries could provide training facilities in almost every field required by the recipient countries. Most of the administrative difficulties in this programme had been eliminated, although there had been some unfortunate experiences. It was, nevertheless, a widely held view that training in the area for middle and lower class technicians was a preferable aim under the Colombo Programme. The Asian delegations, in particular Ceylon, India and Pakistan supported this view. It seems likely that this may be an important future development in the Technical Co-operation Scheme.

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[43] La délégation canadienne comprenait Paul Sykes (délégué commercial à Ceylan), chef de la délégation ; T.M. Burns (délégué commercial adjoint à Ceylan) et G.S. Murray (deuxième secrétaire au haut-commissariat au Pakistan). Il semble que le rapport ait été rédigé par Sykes.
The Canadian delegation consisted of Paul Sykes (Trade Commissioner in Ceylon) as Head, T.M. Burns (Assistant Trade Commissioner in Ceylon) and G.S. Murray (Second Secretary, High Commission in Pakistan). The report appears to have been drafted by Sykes.

(b) *Equipment:*

The provision of equipment was described as a "distinctive feature of the Technical Co-operation Scheme." From the discussion it appeared that there would be in this aspect of the Scheme the positive opportunity for integrating the Colombo Plan activities with those of other technical assistance agencies, principally the United Nations. Some of the Asian delegates seemed to be sceptial about providing the equipment for the United Nations or the Specialized Agencies. They expressed the fear that these agencies might make use of such equipment in countries outside the area of South and South East Asia. The Asian delegates, principally the Pakistan representative, sought to place emphasis on the urgency for meeting requests for equipment. The representatives of the contributing countries countered by stressing the need for precise and detailed requests; and for requests for equipment which clearly came within the scope of the Technical Co-operation Scheme. The Australians and ourselves were most emphatic on these two points. As a result of this discussion, there may be a considerable increase in the number of requests for equipment. It seems likely, however, that such requests will need to be carefully screened by the contributing countries.

(c) *Technical Missions:*

There was general agreement that technical missions of the kind offered by Canada for senior officials to visit the various contributing countries were most useful. Despite our difficulties last summer, I believe that such missions have value, not only because they give senior officials from the countries in the area a working knowledge of the kinds of technical assistance available in Canada, but they provide an eye-opener for the more sceptical Asians, who are inclined to belittle the benefits of technological developments in the West, and start them thinking along Western lines. This might have an important political bearing. In addition, of course, these missions are an effective means of promoting goodwill.

(d) *Experts:*

There was general recognition that the recruiting of experts was the most difficult part of the Scheme and the least satisfactory from the point of view of progress. Only one quarter of the applications had been filled. Some of the difficulty arose because requests were being duplicated as between the Colombo Programme and programmes of the United Nations and the United States. The evils of such duplication were again stressed. The representative of Pakistan (which I suspect may be the principal offender) pointed out that duplication only took place at times when an expert was urgently required. This is not a new excuse; and the answer is surely that the Pakistani authorities should plan their development programme in such a way as to allow them to apply for experts well in advance of the date when they will be required. It seems likely that this will happen as the Scheme progresses; and that duplication will be reduced to a minimum.

(e) *"Dead" Cases:*

An interesting discussion developed on what should be done about applications or offers on which no action had been taken for a considerable period of time. The Director expressed the view that such cases should be written off the records. The United Kingdom and the recipient countries seemed loath to accept this view; and suggested that the Bureau should take action to expedite such "dead" cases. In private conversation with Mr. Wilson I discussed whether he might send regular reminders to the governments concerned but he expressed the fear that such action would not be popular. It is possible that some governments, but particularly the more sensitive Asians, might resent such action as being interference in their affairs. In all technical or economic assistance activities there is an inherent danger of creating the impression in the minds of the Asians that their national sovereignty is being threatened by some supra-national agency administering an assistance programme. The most effective means of stirring up stagnant cases lies perhaps in the visits paid by the Director to the various countries in the area.

Co-ordination with other Agencies

3. The discussion on this item was based on the memorandum by the Director, Bureau Document C/52/15.† From the outset it became clear that co-ordination will not be achieved without patience and perseverance. It was apparent from the discussions, both in Karachi and Colombo, that very few of the delegates were prepared to treat the problem of co-ordination as an urgent one. The Australian, New Zealand and Canadian delegates seemed to be in general agreement on the desirability of co-ordination and shared similar views on how it should be effected; the United Kingdom representative expressed opposition to several proposals which might have led to effective co-ordination; the Pakistani seemed to doubt the feasibility of co-ordination; and the Indian delegate was too complacent about what had already been achieved in Delhi. Accordingly, the process of co-ordinating Colombo Plan activities with those of other agencies is not without its difficulties.

4. Nevertheless, in the view of the Director (whose opinion I share) some progress has been made in the direction of co-ordination with the other agencies. With the arrival of Dr. J.P. Bannier, the United Nations Liaison Officer to the Council for Technical Co-operation, the abortive efforts of the past year to effect co-ordination should begin to bear fruit. Mr. Wilson told me that he had put up the various ideas in his memorandum as trial balloons. He hoped that in the process of shooting them down representatives would not only give more thought to the problem of co-ordination but would agree on some positive steps to effect it.

5. As a result of considerable lobbying, both in Karachi and Colombo, some degree of understanding was reached about the holding of regular meetings at national capitals. The United Kingdom representative seemed bent on making these meetings as informal as possible — informal almost to the point of rendering them futile. He seemed reluctant to invite to such meetings representatives of the United Nations and the United States. He endeavoured,

with some success, to have written out of the record the suggestion that the meetings be convened by the government of the country concerned. In spite of his efforts, however, and in spite of the support which for different reasons he received from the Pakistani delegate — there is now considerable likelihood that regular co-ordinating meetings will be held at each of the national capitals of Ceylon, India and Pakistan. The Pakistani officials have informed us that such a meeting will be held in Karachi at the end of April. We propose to make every effort to have such meetings held at regular intervals.

6. The Director's suggestion, that the recipient governments prepare monthly statements on technical assistance requested and received, met with little support. Dr. Bannier pointed out that this practice was followed by the United Nations and the Specialized Agencies. It is my impression that the Pakistan Ministry of Economic Affairs would find great difficulty in keeping such statements up to date, owing to the inadequacies of the clerical staff in the Ministry. Possibly at the meetings at national capitals the governments concerned could make oral statements which would serve the purpose outlined in paragraph 4 of the Director's memorandum.

7. The Director's suggestion that reports by experts be given wide circulation, and particularly that they should be sent to the Bureau, was not received with enthusiasm. The recipient governments considered that the circulation of reports by experts was a matter to be decided by the government requesting the expert, possibly in consultation with the government which had provided him. The consensus seemed to be that the experts' reports would lose their value if they had to be drafted in such a way as to permit wide distribution. Reports from trainees, on the other hand, were considered of little value. Dr. Bannier confirmed that in the United Nations' experience trainees' reports were hardly worth reading, except where they related to the administrative arrangements for any given training programme.

8. There was general agreement that supplementary assistance should be given to United Nations Specialized Agencies requesting it. Concern was expressed, however, that an announcement to this effect might be regarded as an open invitation to the Specialized Agencies to ask for such assistance. The recipient countries were obviously not disposed to give much encouragement to the Specialized Agencies. It was clear from the discussion that requests for such assistance will have to be carefully screened, presumably by the Council for Technical Co-operation. Several delegates expressed the view that these requests should be initiated by the country or countries which would benefit from the project to be undertaken by the Specialized Agency concerned. This is perhaps a hopeful sign that Colombo Plan technical assistance funds will be utilized not only for joint projects undertaken with the United Nations but for strictly United Nations projects for which the United Nations and the Specialized Agencies would require supplemental equipment, personnel or finance.

9. There was general agreement on the point made by the Director in paragraph 11 of his memorandum, that it was in the field of providing experts where the main problems of co-ordination arose. Most of the delegates agreed also that the United Nations Expanded Programme provided far better facilities for the recruitement of experts. The recipient countries reiterated the difficulties which they had encountered in avoiding duplication of requests for experts. Dr. Bannier, supported by the United Kingdom representative, stressed that some degree of duplication would be preferable to creating gaps in the overall programme of technical assistance. There was considerable support for the view that individual requesting governments alone could decide to whom an approach should be made for technical assistance. The hope was expressed by some delegates that the requesting governments would consider the Colombo Plan as a source of specific types of technical assistance, types which in no way competed with the assistance offered by the United Nations and the Specialized Agencies. None of the delegates, however, was able to define with any accuracy the special forms of technical assistance on which the Colombo Technical Co-operation Scheme might concentrate. The majority of the delegates were of the opinion that these special forms would emerge as the Scheme progressed. The Director suggested that training in the area, the provision of consultative services, the supply of equipment, and the providing of facilities for short-term travelling missions and seminars were some of the specific types of technical assistance which might be provided under the Colombo scheme and which would be truly supplementary to the assistance provided under other schemes. It seems likely that, if more thought were to be given to defining these special forms of assistance, the activities under the Colombo Scheme could be channelled into non-competitive but most effective fields of technical assistance.

Possible Developments of the Council's Work

10. The discussion of this item was based on the Director's memorandum in Document C/52/18.† The reactions of governments to the suggestion that assistance be given to international organizations operating in the area have been described in paragraph 3[2](b). The Canadian delegate supported the suggestion in principle but added a word of caution that applications for assistance, made to the Council by the United Nations or the Specialized Agencies, should be looked at closely to ensure that the projects concerned would benefit one or more countries in the area and that such projects were related to the general picture of economic development in the area.

11. None of the delegates was enthusiastic about the Director's suggestion that a fund be put at the disposal of the Council for financing expenses arising in non-member countries. Several delegates stated that their governments had already paid such expenses and were prepared to do so in future. Accordingly there seemed to be no real reason why the proposed fund should be established.

12. The reaction of delegations to the Director's suggestion about the circulation of reports by experts and trainees has been described in paragraph 8. The consensus of the meeting was that some of the reports by experts might

be found most useful but that, if such reports were to retain their value, they must be kept confidential in order to give the expert concerned scope for full and frank discussion. The reports were in essence a matter between the expert and the government who had requested him. There might be occasions when the government providing the expert would be brought into the picture. The consent of one, or perhaps both, of these governments would be required before the reports could be circulated to other governments or agencies.

13. The Council was not disposed to undertake at this time the translation of technical documents. It was considered that this work could be more appropriately performed by other agencies.

Indian Offer for Advanced Training for Rice Breeders

14. The discussion centred around two memoranda, C/52/4 and C/52/13,[†] on this subject. Reference was also made to an announcement which Mr. R.G. Casey had made at the Consultative Committee Meeting in Karachi to the effect that the Australian Government proposed to build hostels in Sydney and Melbourne for the housing of Asian students and that up to £50,000 of the costs would be met from Australia's contribution to the Technical Cooperation Scheme. In the course of the discussion the Ceylon representative said that a similar commitment had been entered into by his government for hostels to be established in connection with the rural development scheme. It was explained that the governments of Ceylon and India had already incurred expenditures in the belief that the use of technical co-operation funds for such purposes had already been approved by the Council. The Council, taking note of the comments of the representatives of Australia, Ceylon and India, agreed that capital expenditure on buildings of this type was a proper charge on a country's contribution, provided that substantial benefits were offered to other countries in the area. Most delegates recognized that there was no means whereby the Council could prevent a country making such expenditure; but hope was expressed that the country concerned would seek the views of the Council on such a project at an early stage.

Period for which the Scheme Should Operate

15. The discussion on this item was surprisingly brief. The United Kingdom representative made a short statement in support of his government's proposal for continuing the technical co-operation scheme and for making it co-extensive with the programme for economic development. The recipient countries, as might have been expected, welcomed the proposal. Australia, Canada and New Zealand accepted the proposal with reservations, largely of a financial nature. The Canadian statement, copy of which is attached, was incorporated as an annex to the minutes of the third meeting of the policy session (Document SR/52/7).[*] No comment was made at the meeting on these statements.

16. The discussion of this item was made slightly more difficult by the presence of new members at the conference table; Burma, Cambodia and Nepal attended for the first time as full members; while Indonesia, the Philippines and Thailand were represented by observers. Accordingly the statements on the continuation of the scheme had to be tactfully worded.

Election of the President

17. Mr. R. Coomaraswamy of Ceylon was re-elected president. His nomination was put forward by the representative of New Zealand and supported in rapid succession by the representatives of Pakistan and the United Kingdom. Mr. Coomaraswamy's words of thanks followed immediately. The rather obvious haste in this matter did not give the Indian delegate an oppportunity to take part in the discussion. From the informal discussions which preceded this meeting it was apparent that both the Indian and Pakistani delegates had hoped that one or other of their permanent representatives would succeed to the office. The Pakistanis were persuaded to step down. I suspect that the Indians were not consulted. In the interests of continuity and control I should judge that the re-election of Mr. Coomaraswamy is well founded.

Conclusions

18. The following are perhaps the significant points which emerged from this Policy Session of the Council:

(a) Training in the area of middle and lower class technicians was recognized by the recipient countries, and by most of the contributing countries, as a most fruitful field in which Colombo Plan funds might be utilized. Basic training facilities, including possibly hostels, would probably be provided by the countries in the area; while the organizers, instructors and training equipment would be provided by the contributing countries. These training facilities might be operated in conjunction with development projects already under way in the countries of the area.

(b) Equipment for training and demonstration purposes might be supplied to the countries in the area to be used in connection with projects undertaken by the United Nations and the Specialized Agencies. Requests for such equipment would probably originate with the country or countries concerned and would be brought before the Council for consideration. These requests would be in addition to those, made by the recipient governments, for direct assistance in the form of equipment. It seems likely that such requests for equipment will be augmented in number.

(c) Efforts to effect positive co-ordination among the various agencies providing technical assistance to the area will have to be pursued with patience and perseverance. There are indications that the recipient countries are beginning to recognize the advantages of such co-ordination. The task is, however, by no means confined to converting the recipient countries.

(d) The Technical Co-operation Scheme will continue to operate until the end of the Colombo Plan for Economic Development. No additional financial commitment is involved. The facilities and funds available under the Scheme are likely to be diverted to an increasing extent into special fields of technical assistance — assistance which cannot be equally provided by other agencies and which is particularly suited to the Colombo Programme. There is a possibility that the assistance rendered by some contributing countries will be more closely related than in the past to their economic assistance programmes.

SECTION D

CEYLAN/CEYLON

634. DEA/11038-3-40

Le représentant auprès du Conseil de coopération technique au sous-secrétaire d'État aux Affaires extérieures

Representative, Council for Technical Co-operation to Under-Secretary of State for External Affairs

LETTER No. 138 Colombo, April 12, 1952

CONFIDENTIAL

POSSIBLE VISIT TO CANADA OF MR. RAJU COOMARASWAMY[44]

Reference: Allocation of Colombo Plan Funds to Ceylon

In view of the possibility that there may be some allocation of 1952-53 Colombo Plan Funds to Ceylon, Mr. Commaraswamy had informal talks on the subject with Mr. Cavell and Mr. McIlraith during the recent visits made by these two gentlemen to Colombo which related in part to the possibility that Mr. Coomaraswamy might discuss the question with competent authorities in Ottawa at a comparatively early date. I have had little to do with the matter but understand that it may be referred to you by both Mr. McIlraith and Mr. Cavell when they return from their trips on which they are now engaged.

2. If Mr. Coomaraswamy is to visit Ottawa in this connection he will presumably be able to do so only on the invitation of the Canadian Government. It is the case at the same time that, in view of other responsibilities, he could only make a visit to Canada except at considerable inconvenience, in the comparatively early future probably around the end of May. These two points may accordingly merit some consideration even prior to Mr. McIlraith's and Mr. Cavell's return.

3. Mr. Coomaraswamy understands that there is a possibility of certain Colombo Plan Funds being devoted to fisheries development in Ceylon but has no idea of the informal steps which have already been taken in this direction. He is in any case more interested in securing certain funds to be expended on the Ceylon Government's Rural Development Scheme and has told me in this connection that Ceylon would welcome the opportunity of establishing a counterpart fund, to be devoted principally to this purpose through the sale of supplies of flour, newsprint or such other typical Canadian commodities as might be available and as are in regular demand in this country. He did not appear to be very interested in supplies of hand tools, implements, pumps and

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[44] Président du Conseil de coopération technique.
President of Council for Technical Cooperation.

similar equipment for rural development work except possibly in fairly limited amounts. Altogether I should think the disposal of any contribution to Ceylon for this purpose will require considerably more investigation and study than it has received to date, but the project undoubtedly appears to be one of considerable merit and one also on which funds could be usefully spent in almost any amounts small or large. There is the opportunity also of developing co-operation with such U.N. agencies as U.N.E.S.C.O., F.A.O., and W.H.O., all of which are carrying out or at least planning somewhat similar development work in this country.

4. Any advices which you may have for me in connection with the issue of an invitation to Mr. Coomaraswamy to visit Canada will be most welcome.

PAUL SYKES

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635. DEA/11038-3-40

Le sous-secrétaire d'État aux Affaires extérieures
au Bureau du représentant auprès du Conseil de coopération technique

Under-Secretary of State for External Affairs
to Office of Representative, Council for Technical Co-operation

LETTER No. E-40 Ottawa, May 2, 1952

CONFIDENTIAL

COLOMBO PLAN — AID TO CEYLON

Reference: Your letters No. 137 of April 9† and No.138 of April 12.

Following Mr. Cavell's return, preliminary consideration has been given to the question of Canadian assistance to Ceylon under our 1952/53 Colombo Plan programme. There is no doubt that, if suitable projects can be agreed upon, some funds will be made available out of the Vote for this year.

2. Both the fisheries development project and the rural development scheme appear to be worthwhile projects but it will, of course, be necessary to look into the supply situation in Canada in order to determine whether the required equipment and supplies are available. Inquiries in connection with the fisheries project will be initiated on the basis of the suggested requirements listed in Mr. Haywood's memorandum, which was attached to Mr. Ponnambalam's personal letter to Mr. Mayhew, and which was also forwarded under cover of your letter No. 137. While we can do some useful preparatory work of investigation at this stage, a formal request for assistance, accompanied by detailed specifications, will have to be submitted through the normal channels before any final agreement can be reached between our Governments.

3. The suggestion that Mr. Coomaraswamy might visit Ottawa to discuss with Canadian officials suitable projects for aid under the Colombo Plan has now been considered. Mr. Cavell understands that Mr. Coomaraswamy intends in any event to make a trip to London within the next month. Would you please inform him that Canadian officials think it would be useful to hold discussions on appropriate Colombo Plan projects for Ceylon and hope that he

will be able to extend his trip to the United Kingdom to include a brief visit to Ottawa. If he decides to accept our invitation, it should be made clear to him that his discussions with us can only be fruitful if he is in a position to speak for his Government and to submit proposals which carry general governmental support.

4. For your own confidential information, we are anxious to avoid becoming involved in deciding the relative merits of competing claims from different Ministries. It will simplify our task if we can talk over possible projects with Mr. Coomaraswamy as representing the Ceylon Government; it will merely add to our difficulties and cause unnecessary confusion if he puts forward certain favoured projects of particular Ministers which may later be contested by other Ministers whose interests lie elsewhere.

H.O. MORAN
for Acting Under-Secretary of State
for External Affairs

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636. DEA/11038-3-40

Le représentant auprès du Conseil de coopération technique au sous-secrétaire d'État aux Affaires extérieures

Representative, Council for Technical Co-operation to Under-Secretary of State for External Affairs

LETTER No. 183 Colombo, May 23, 1952

CONFIDENTIAL

COLOMBO PLAN — AID TO CEYLON — PUBLICITY

Reference: Your letter E. 40 of May 2.

I should be obliged for any instructions which you may be kind enough to provide by letter or telegram relating to publicity which may be given in this country to Colombo Plan aid to Ceylon.

2. If Mr. Coomaraswamy's forthcoming visit to Canada proves effective, as I am sure, we hope, it will, the Ceylon Government will undoubtedly want to publicize the fact as widely as possible and if this is going to be done I am apprehensive over the means which may be employed and the terms in which such publicity may be given. I am not so concerned over government action as the treatment which the subject may be given by the local press which, to put it mildly, is highly irresponsible. If therefore essential details of Canadian provision of aid to Ceylon under the Colombo Plan, such as, the sums involved for specified projects, the form in which the aid is to be supplied and related points could be furnished it would be of the greatest value as a means, if necessary, of correcting inaccurate reports, dispelling rumours and generally keeping matters in order. Any advice of the type referred to which you might supply would, of course, only be used if it appeared necessary and helpful to the Ceylon Government to do so.

PAUL SYKES

637. DEA/11038-3-40

Le sous-secrétaire d'État aux Affaires extérieures
au représentant auprès du Conseil de coopération technique

Under-Secretary of State for External Affairs
to Representative, Council for Technical Co-operation

LETTER No E-56 Ottawa, June 5, 1952

CONFIDENTIAL

COLOMBO PLAN — AID TO CEYLON — PUBLICITY

Reference: Your letter No. 183 of May 23, 1952

We have discussed with Mr. Coomaraswamy the undesirability of premature publicity on Canadian aid to Ceylon under the Colombo Plan. He fully appreciates the situation and assures us that no official publicity will be given by the Ceylonese Government until the Canadian Government has given formal approval to the provision of economic aid to Ceylon by Canada under the Colombo Plan during this current fiscal year. He himself is somewhat fearful of unauthorized leaks by junior officials in the Ceylon Government service but there is, of course, no way to guard against this.

2. Mr. Coomaraswamy's visit with us was useful and fruitful and I believe he himself is quite satisfied with the results. In addition to talks he had with various individual officials he also met with the interdepartmental Colombo Group where a full discussion was held on the three projects which Mr. Coomaraswamy submitted on behalf of his Government for Colombo Plan aid from Canada. The record of this meeting was put in the form of a letter to Mr. Coomaraswamy and I enclose a copy of the letter for your information.† As you will note, the conclusions arrived at by the Canadian officials will be placed before Ministers.

3. I am enclosing, also, a copy of the Statement of Principles which was agreed upon with the Government of Pakistan and with the Government of India on September 10, 1951. Once formal approval is obtained from Cabinet for the extension of Colombo Plan aid to Ceylon we shall ask you to arrange an exchange of notes with the Government of Ceylon for the purpose of establishing agreement on these general principles. Mr. Coomaraswamy felt sure that the Statement of Principles as agreed upon with India and Pakistan would be acceptable to his Government. He will, presumably, discuss it with his superiors on returning to Colombo and you might check with him and confirm that the text of the enclosed Statement, with the obvious verbal changes, is acceptable to the Ceylonese Government. Arrangements for the formal exchange of notes should, of course, not be made except on specific instructions from Ottawa which can be given only after Cabinet approval is received.

4. I believe that the signing of the notes accepting the Statement of Principles would provide the first appropriate opportunity for publicity in Ceylon on Canadian aid to that country under the Colombo Plan.

ESCOTT REID
for Under-Secretary of State
for External Affairs

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638. DEA/11038-3-40

Le secrétaire d'État aux Affaires extérieures
au représentant auprès du Conseil de coopération technique

Secretary of State for External Affairs
to Representative, Council for Technical Co-operation

DESPATCH NO. E-68 Ottawa, June 21, 1952

CONFIDENTIAL

COLOMBO PLAN — AID TO CEYLON

Reference: Our Letter No. E-56 of June 5, 1952.

The following recommendations concerning Colombo Plan assistance to Ceylon were approved by Ministers on June 19th:

(a) that Canadian economic aid be made available under the Colombo Plan to the Government of Ceylon during the current year, 1952-53, in conformity with the Statement of Principles already agreed upon with the Governments of India and Pakistan;

(b) that the fisheries development project be approved for inclusion in the 1952-53 programme of economic aid to Ceylon and that up to $1,000,000 be provided for this project out of vote number 114;

(c) that the rural electrification scheme and the rural development pilot project be approved in principle as suitable projects for Canadian aid under the Colombo Plan but that these two projects be re-submitted to the Cabinet for final decision in the light of the report to be received from the Canadian electrical engineer in respect of the Gal Oya electrification scheme and in the light of the programmes which have yet to be submitted by India and Pakistan for Canadian Colombo Plan aid during this current year.

It is now in order for you to proceed with the exchange of notes with the Government of Ceylon to secure formal agreement on the principles in accordance with which Canadian aid will be made available. In this connection, I attach a revised copy of the "Statement of Principles" together with the text of the covering note which you should address to the Minister for Defence and External Affairs.† Apart from the obvious verbal changes, these two documents are similar in all respects to those sent to the Governments of India and Pakistan. I also enclose copies of the notes received from these two Governments, to which you may wish to refer if your advice is sought by Ceylonese officials on the form in which their reply might be made.†

As indicated in my letter under reference, the signing of the notes accepting the Statement of Principles would seem to provide the first appropriate opportunity for publicity in Ceylon on Canadian aid to that country under the Colombo Plan. As was the case for India and Pakistan, it is proposed to issue a short press release here on the day the notes are signed. But we would expect the bulk of the publicity on this occasion to be given in Colombo. It would be appreciated if you would let us have in good time before the formal exchange of notes, the text of any press release which the Government of Ceylon may wish to issue. You will understand that it would be inappropriate to make public the estimated total monetary value of Canadian assistance to Ceylon for the current year in as much as approval for the Rural Electrification Scheme and the Rural Development Pilot Project has only been given in principle and final decisions on these two projects must await further Cabinet consideration. However, there would seem to be no harm in mentioning the probable value of our assistance for the Fisheries Development Project.

Please advise by telegram the date of and the arrangements for the exchange of notes so that we may take any necessary action here on publicity and let you have any comments on the arrangements which seem desirable.

L.D. WILGRESS
for Secretary of State
for External Affairs

[PIÈCE JOINTE/ENCLOSURE]

Déclaration de principes (révisée)

Revised Statement of Principles

[n.d.], 1952

COLOMBO PLAN

STATEMENT OF PRINCIPLES

agreed between the Government of Canada and the Government of Ceylon
for Co-operative Economic Development of Ceylon

The Governments of Canada and Ceylon, together with other governments, took part in London in 1950 in drawing up the Colombo Plan for Co-operative Economic Development in South and South-East Asia. The Governments of Canada and Ceylon now desire to co-operate for their mutual benefit, and in particular for the achievement of the purposes of the Colombo Plan, by promoting the economic development of Ceylon. Therefore the Governments of Canada and Ceylon now wish to establish agreed principles under which economic aid from Canada will be provided to Ceylon for the purposes of the Colombo Plan, and according to which supplementary agreements may be made to cover specific programmes.

The Governments of Canada and Ceylon agree to the establishment of the following principles:

1. All economic aid supplied by the Government of Canada to the Government of Ceylon under the Colombo Plan shall consist of goods and services in

accordance with specific programmes agreed upon from time to time between the two governments. Similarly, agreement will be reached on the methods of procurement and transfer.

2. In order that Canadian aid may cover different types of projects, different forms of financing may be used; in particular, Canadian aid will be available on either a grant or a loan basis, depending on the nature of each specific programme and the uses to which the goods and services supplied under it are put.

3. The particular terms of each specific programme will be a matter for agreement between the two governments, subject to the following general provisions:

(a) Grants: In any specific programme under which goods financed by grants from the Canadian Government are sold or otherwise distributed to the Ceylon public "counterpart funds" will normally be set aside. The Ceylon Government will set up a special account for these funds and will keep separate records of the amounts placed in the account in connection with each specific programme. It will pay into this account the rupee equivalent of the Canadian expenditures on goods and services supplied under any such programme. The Government of Ceylon will from time to time report to the Government of Canada the position of this account and will supply a certificate from the Auditor General of Ceylon. The two governments will from time to time agree on the economic development projects in Ceylon to be financed from this account.

(b) Loans: For the specific programmes which are agreed to be appropriate for financing by means of loans the terms of the loans will be determined by the two Governments. These terms will relate primarily to the commercial character of the particular project in question, to its anticipated earnings, and to its anticipated effects on the foreign exchange position of Ceylon.

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639. DEA/11038-3-40

Le représentant auprès du Conseil de coopération technique
au secrétaire d'État aux Affaires extérieures

Representative, Council for Technical Co-operation,
to Secretary of State for External Affairs

TELEGRAM 32 [Colombo], July 11, 1952

Reference: Your No. 46 of July 9.†

Notes exchanged this afternoon and press release to be published morning of July 12th.

SECTION E

INDE/INDIA

640. DEA/11038-1-40

Le haut-commissaire en Inde
au secrétaire d'État aux Affaires extérieures

High Commissioner in India
to Secretary of State for External Affairs

DESPATCH No. 430 New Delhi, March 20, 1952

CONFIDENTIAL

COLOMBO PLAN AID TO INDIA — SECOND YEAR

I understand that, in response to a request from Mr. Cavell, the Indian authorities have undertaken to send you a list of projects from which you might select items for direct aid in the second year. At the same time, they have told Mr. Cavell that they hope as much as possible of our second-year aid may take the form of wheat.

2. The Indian argument in favour of wheat runs as follows. Because wheat is in short supply in Australia and Pakistan, India's current wheat purchases from the dollar area cannot be reduced and may have to be increased. Gift wheat from this area would save India precious foreign exchange and indirectly improve the balance-of-payments position of the sterling area. Also, the counterpart funds from the sale of wheat would be welcome in India. The proportion of internal finance to foreign exchange content in India's development programme is about four to one. It is true capital goods are needed from abroad but it appears to be difficult to get capital goods additional to those already on order. Meanwhile the need to provide an adequate continuing supply of internal funds for development purposes remains. This year unusually high receipts from customs and export duties and funds realized from the sale of American loan wheat provided the main cushion enabling India to finance the year's programme to the full extent. Neither of these sources can be counted on to nearly the same extent in the coming year. Therefore aid in the form of wheat or similar raw materials for sale in India would be most helpful.

3. I think this argument is sound. I realize it is desirable to preserve the direct-aid content of our assistance, and I would hope that Canada, the United States, the United Kingdom and other western countries may be able to spare sufficient capital goods for India to meet her real development needs and prevent any possible swing toward iron-curtain countries as a source of such supplies. At the same time, supply is the main problem here; and, so far as the dollar area is concerned, any reduction in India's foreign exchange spending on foodstuffs and essential raw materials would be an effective collateral form of aid.

4. At present India's most acute food shortage is rice (particularly badly needed in drought-afflicted, rice-eating Madras); there is little Canada can do about this, though I suppose it is possible that an easier supply position in wheat might make it a little more feasible for the authorities to divert more rice to the south from wheat-eating areas. India can probably buy all the wheat she must have this year but free supply of wheat or other grains cannot be other than helpful both from the point of view of finance and in order to help feed the people.

5. The Canadian people would probably understand that this form of aid is particularly helpful at this stage of India's development; and, since wheat is a commodity of which — with luck — we should have a very good stock this year, it would seem appropriate that Canada should supply India with as much wheat as possible. Supplying wheat for consumption and to set up counterpart funds is rather like grub-staking a prospector: this is a good North American conception Canadians can understand.

6. I am informed that, on the technical assistance side, the Indian authorities expressed the opinion to Mr. Cavell that we might think in the coming year in terms of more aid of the type designed to train an increasing number of industrial trainees in India, where they would learn under conditions comparable to those under which they would afterward be working. I suppose this might involve the sending of experts and possibly some technical equipment. If the latter were desirable and feasible, the Indians, I am sure, would be content to have it supplied out of economic development rather than technical aid funds if we should prefer this.

RICHARD GREW
for High Commissioner

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641. DEA/11038-1-40

Le secrétaire d'État aux Affaires extérieures
au haut-commissaire par intérim de l'Inde

Secretary of State for External Affairs
to Acting High Commissioner of India

Ottawa, March 25, 1952

Dear Mr. Banerjee:

I refer to the programme for Canadian assistance under our 1951-52 Colombo Plan allocation to India. In accordance with your Government's request, Canadian wheat, not exceeding $10 million in value, is now being shipped to India under the programme. The present position with respect to the remainder of the proposed programme is, I understand, as follows:

1.	Truck and bus chassis for use by the Bombay State Transport Commission, (subject to further consideration.)	approx. $4.5 million

2.	Equipment for the Mayurakshi project,(subject to further consideration.)	approx $0.5 million
	Total	approx. $5 million

Under the proposed procedure, the above programme would be subject to change or addition, with the approval of both Governments, in the light of the supply position in Canada or other considerations. The cost of all projects, including the wheat already provided for, which finally comprise the programme could not, of course, exceed approximately $15 million.

To facilitate the carrying out of the above programme, it is proposed that:

(a) the Government of India direct the Government of Canada to pay to the Canadian Commercial Corporation as agent of the Indian Government the amount of any grant that Canada proposes to make to the Government of India under the Colombo Plan;

(b) each such grant made to the Government of India will be used to procure goods and services to assist in the economic development programme of India and will be applied only to specific projects that have been approved in accordance with the "Statement of Principles" agreed between the Government of Canada and the Government of India on the 10th day of September, 1951;

(c) the Government of India will procure the said goods and services through the Canadian Commercial Corporation which shall act as agent of the Government of India in that behalf, and all contracts for the procurement of such goods and services must be approved in writing by the Secretary of State for External Affairs of Canada before they are entered into; and

(d) in the event that India has not, by a future date to be determined by Canada of which notice in writing will be given to India, applied the whole of any grant in accordance with paragraph (b) above, India will on request in writing by Canada pay to Canada in Canadian dollars an amount equal to the portion of the grant not so applied, out of the funds at the credit of India with the Canadian Commercial Corporation.

If the proposed procedure is acceptable to your Government, this letter and your reply will constitute an agreement on this subject, effective from the date of your reply, and a direction to the Government of Canada to make payment to the Canadian Commercial Corporation as agent of India as set out in paragraph (a) above.

Yours sincerely,

A.D.P. HEENEY
for Secretary of State
for External Affairs

642. DEA/11038-1-40

Le haut-commissaire par intérim de l'Inde
au secrétaire d'État aux Affaires extérieures

Acting High Commissioner of India
to Secretary of State for External Affairs

Ottawa, March 28, 1952

Dear Mr. Pearson,

I refer to your letter of March 25, 1952, proposing agreement between our two Governments on a procedure to facilitate the carrying out of the programme of Canadian assistance under your Government's 1951-52 Colombo Plan allocation to India. The procedure as set out in your letter is acceptable to my government and. therefore, your letter referred to above and this reply constitute an agreement on this subject effective from March 28, 1952. The Government of India request the Government of Canada to make payment to the Canadian Commercial Corporation as agents of India as set out in paragraph (a) of your letter.

Yours sincerely,
P.K. BANERJEE

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643. DEA/11038-1-40

Note de la Direction économique
pour le sous-secrétaire d'État aux Affaires extérieures

Memorandum from Economic Division
to Under-Secretary of State for External Affairs

Ottawa, June 19, 1952

COLOMBO PLAN — AID FOR INDIA 1952/53

This morning Mr. Saksena, the Indian High Commissioner, met with officials of the interested Departments here to discuss in a preliminary way the type of assistance which might be supplied to India this year.

2. Mr. Saksena informed the group that the Indian Government would like to have the whole of its portion of the Canadian contribution supplied in the form of wheat. The counterpart funds from the sale of the wheat would be used to meet some of the rupee expenditures on the Mayurakshi irrigation and hydro electric project and any excess could be devoted to the rupee element in the similar Hirakud project. Mr. Saksena undertook, at the request of the Canadian officials, to provide further details concerning the size and nature of these rupee expenditures and he also undertook to inquire regarding the equipment required for these projects from outside sources which Canada might be able to supply if it were decided not to provide the whole of the Canadian contribution in wheat. The Canadian officials indicated that they might also wish to discuss later with Mr. Saksena the possibility of including in

this year's contribution some relatively minor items of equipment which could be related to the kinds of technical assistance which Canada might be furnishing.

3. The Canadian officials said that they obviously could not comment with any authority on the suggested contribution of wheat. They would however proceed to find out whether satisfactory grades were likely to be available and whether Ministers thought this form of contribution would be desirable. Consideration of the request would be facilitated by the information which Mr. Saksena is to secure.

4. Concerning the 1951/52 programme Mr. Saksena indicated that, despite the regrettable difficulty which had been experienced in letting tenders for the trucks, the Bombay State Transport project now appeared to be ready for action.

5. Throughout the meeting the informal and preliminary character of the discussions was emphasized.

6. We now learn from the Press Office that in some strange manner the news ticker this afternoon contains a small item reporting that this meeting took place and that the provision of wheat was discussed. We do not propose to comment on the contents of this news report. We have told the Press Office that they can tell any inquirers that informal meetings regarding possible current and future programmes are continually taking place in order to provide some basis for our planning. Since the funds have not yet been voted by Parliament for the present year any discussions which might have taken place this morning could only have been of this informal character. Mr. Saksena, who is also unaware of the source of the news story, says that he does not propose to comment at all if he receives any inquiries.

A.E. Ritchie

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644. DEA/11038-1-40

Note de la IIe Direction de liaison avec la Défense pour la Direction économique

Memorandum from Defence Liaison (2) Division to Economic Division

Restricted Ottawa, July 28, 1952

Memorandum for Mr. A.E. Ritchie

COLOMBO PLAN: INDIA

When we were discussing Colombo Plan aid to India recently, you suggested that I give you a note of my understanding of the reasons for the Indian desire to receive wheat, and in particular wheat of a grade higher than grades 5 and 6.

2. As I understand it, India wants wheat under the Colombo Plan because the Government, by selling wheat to consumers, can set up a counterpart fund

which helps to finance development projects. The major financial component of India's six-year development program is rupees, not foreign exchange; the ratio, I believe, is of the order of 3 to 1. During the first year of the program, recently completed, India was able to find all the rupees needed to finance the year's program. But this was possible only because there were unusually high revenues from customs and export duties and because the Government was able to realize considerable sums from the sale of American loan wheat. For varying reasons, none of these sources — except possibly customs — can be counted on to the same extent this year or in future. This could cause curtailment of program.

3. Another advantage for India of wheat under the Colombo Plan is saving of foreign exchange. This year India is importing 4,500,000 tons of grain as compared with the Planning Commission's estimate of 3,000,000 tons as the amount India's foreign exchange position, considering other essential purchases abroad, will allow. Canadian wheat under the Colombo Plan in 1952-53 would help India to import sufficient food to feed her people at a time when this will be difficult without drawing dangerously on foreign exchange reserves or foregoing other essential purchases.

4. India, I understand, had again asked for No. 4 wheat, whereas we would prefer, if we give wheat, to let them have No. 5. We may, I think, anticipate that India would decline No. 5. The reason for this is that the wheat is to be sold to the people, presumably in Government ration shops; therefore, if it is to serve the dual purpose of feeding the people and raising development funds, it must be satisfactory to the purchaser. No. 5 wheat would not be satisfactory because, when ground into the "atta" (high-extraction flour) out of which the Indian makes his "chepati" (unleavened bread) it is very dark in colour and the "chepati" itself is even darker, verging on black. The average Indian, who is unsophisticated to the point of being superstitious and who in any case is paying a high price for his grain nowadays, would be reluctant to buy such wheat. I believe, therefore, that the Indian Government would not think it practicable to accept such wheat, particularly as a means of raising revenue for development.

P.A. BRIDLE

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645. DEA/11038-1-40

Note du sous-secrétaire d'État aux Affaires extérieures pour le secrétaire d'État aux Affaires extérieures

Memorandum for Under-Secretary of State for External Affairs to Secretary of State for External Affairs

SECRET Ottawa, September 8, 1952

WHEAT FOR INDIA UNDER THE COLOMBO PLAN THIS YEAR

As you will recall, Canada's assistance to India under the Colombo Plan last year consisted of:

(a) $10,000,000 worth of wheat (which was intended not only to meet current food requirements but also to be sold for local currency which the Indian Government could use on the Mayurakshi Irrigation and Hydro-Electric Project);

(b) $4,500,000 of equipment required by the Bombay State Transport Corporation;

(c) $500,000 for outside equipment needed in connection with the Mayurakshi Project.

2. This year the Indians have asked that Colombo Plan funds be used to buy 2/3 of the 300,000 tons of wheat which they are hoping to procure from Canada under the international wheat agreement. As in the previous year, the rupees produced by the sale of this wheat would be used to supplement the inadequate revenue available to the Indian Government for financing the Mayurakshi and similar Hirakud developments. This amount of wheat would cost about $13,000,000 and would absorb the whole of the expected Canadian contribution to India in 1952-53.

3. Although the Indian authorities have been pressed to suggest alternative projects to which at least part of the present Canadian contribution could be devoted, they have not come up with any promising items. The likelihood is, in fact that, so long as they have any hope of securing the whole contribution in wheat, they will not be anxious to suggest alternative projects to us.

4. In these circumstances, it would seem most desirable that an early decision be taken on the question of wheat for India this year under the Colombo Plan in order that:

(a) arrangements can be completed in the near future for the purchase and shipment of any wheat which is to be supplied; and

(b) if none or only a portion of our contribution is to take the form of wheat, the Indian Government can be made aware immediately of the necessity of proposing other useful projects on which the balance of our contribution can be spent.

5. The arguments against a contribution in wheat are briefly that:

(a) there has been some criticism in Canada of the fact that our earlier contribution was entirely in the form of wheat; and

(b) a contribution in wheat, even though it produces badly needed counterpart funds for use by the Indian Government, lacks the psychological (and possibly commercial) advantages which the provision of identifiably Canadian equipment might have; and

(c) as in the case of "economic aid" for NATO countries, it may be desirable not to encourage any impression that we are prepared to give away our traditional cash exports under the Colombo Plan, in view of the consequences which such an impression might have for our future balance of payments.

6. The arguments in favour of accepting the Indian proposal for a wheat contribution this year are that:

(a) the original Colombo Plan recognized that in the case of India the principal need was for adequate internal finance rather than for imported capital equipment directly;

(b) we made a contribution in the form of wheat last year and did not indicate that we would be unprepared to make a similar contribution this year if that were regarded by the Indian Government as the most useful form of assistance that we could render;

(c) the Australian Government also was willing to supply the bulk of its contribution to India last year in the form of wheat and flour.

7. Our general judgment would be that in the interests of the Colombo Plan, as a whole, it would be desirable to meet the Indian request for wheat so far as possible. We recognize, however, that a case can probably be made against the provision of our whole contribution in wheat. Accordingly, in this situation, the only practicable course (particularly in view of the urgency of securing some decision) would seem to be a compromise between rejecting wheat entirely and allowing the full contribution to be taken up in wheat.

8. We would, therefore, suggest that you might discuss the following possibility with Mr. Howe and other ministers concerned:

(a) the Indian Government should be informed now that the maximum amount of wheat which can be supplied to it under the Colombo Plan this year is $5,000,000 worth;

(b) this quantity of wheat should be additional to any amounts which India may be purchasing from Canada under the international wheat agreement;

(c) Canadian Officials should work out urgently with the Indian authorities other projects which might constitute the remainder of Canada's likely contribution to India in 1952-53 under the Colombo Plan; and

(d) the Indian Government should be warned now that for any future years it should plan on the assumption that wheat will not continue to be available from Canada under the Colombo Plan.

9. We have reason to believe that if a proposal on these lines were to be made to Mr. Howe, he would probably be prepared to accept it. He might wish to strengthen the warning in paragraph (d) to the point where any wheat would be definitely ruled out for future years. That might be going too far since it is not possible to foresee all possible future situations. For instance, the development of a severe famine might appear to the Canadian Government to warrant the diversion of some Colombo Plan monies to the supply of wheat. Mr. Howe's concern would appear to be adequately taken care of if it is made quite clear to the Indians that they should not expect any further wheat from Canada under the Colombo Plan but should present other projects to which any future Canadian contributions could be devoted.

L.D. W[ILGRESS]

646. DF/Vol. 860

Note pour le sous-ministre des Finances

Memorandum for Deputy Minister of Finance

CONFIDENTIAL Ottawa, September 10, 1952

WHEAT FOR INDIA & PAKISTAN

Ed [A.E.] Ritchie telephoned from External Affairs this afternoon about two matters which they hope to have discussed in Cabinet next Saturday. He first indicated the position that they will take on supplying India with wheat under this year's Colombo Plan programme. They intend to circulate a Cabinet memorandum on this subject within the next day or two. Then, Ritchie passed on some information about certain recommendations which they hope their Acting Minister, Mr. Claxton, will be prepared to put forward with a view to making wheat available to Pakistan as an emergency measure. External Affairs hope also to circulate a memorandum on this subject before Saturday.

Ritchie said that in their view there were several reasons which made it important to get the question of wheat for India straightened out at this time. Members of the Indian Supply Mission are about to enter into discussions at Winnipeg with the hope of obtaining, under the Colombo Plan, about two-thirds of their total requirements of 300,000 tons of Canadian wheat. However, Mr. Howe takes the view that no I.W.A. wheat should be financed under the Colombo Plan. He has agreed, though, that the Indians might receive this year $5 million worth of wheat as a gift under the Colombo Plan as long as this transaction takes place outside the I.W.A., and provided it is assumed for the future that no more wheat will be supplied under the Colombo Plan. Mr. Pearson has agreed (apparently somewhat reluctantly) to this "compromise" and it will be recommended in the Cabinet memorandum. Another reason why External Affairs wish to have the question of wheat dealt with now is because they consider it will be next to impossible to obtain firm information about other potential Colombo Plan projects for India so long as the Indians feel there is a chance of receiving the whole Canadian contribution in the form of wheat.

Concerning wheat for Pakistan, Ritchie said that Mr. Pearson felt quite strongly that Canada should make some "gesture". This feeling has been heightened by the barter deal which the Pakistanis and the Russians are working out to exchange jute and cotton for wheat, and by the fact that the United States has agreed to supply 160,000 tons of wheat valued at about $15 million. The United States offer is firm and Ritchie said that, according to reports from our representatives in Pakistan and the United States information, the barter deal is a *bona fide* one which is expected to go through. The Pakistanis represent their emergency wheat requirements to be 300,000 tons. External are making the following recommendations to their Acting Minister for consideration by Cabinet: that up to 75,000 tons of Canadian wheat, at a value of approximately $5 million, should be offered to Pakistan; that this transaction should take the form of a loan, the financing of which would be arranged under Section 20A of The Export Credits Insurance Act; that the amount of wheat actually supplied would be made conditional on demonstration of need by the Pakistanis.

Ritchie thought that about 75,000 tons, together with the American quantity and the amount to be obtained from the U.S.S.R., might bring the supplies from the outside up to the required aggregate. The intention in regard to the financing of the Canadian wheat is apparently that some appropriate agency in Canada would obtain funds by taking out a policy with the Export Credits Insurance Corporation and using it to secure credit at the banks. These funds would be used to buy the wheat, with the Pakistanis making up the difference between the amount so purchased and the total price of the wheat supplied under the suggested loan. I understand that Mr. Howe is not disposed to regard such an arrangement with much favour.

H.H. WRIGHT

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647. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa,] September 13, 1952

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COLOMBO PLAN; WHEAT FOR INDIA

43. *The Minister of National Defence, as Acting Secretary of State for External Affairs* reported that in 1951-52, the Canadian contribution to India under the Colombo Plan had consisted of $10 million worth of wheat and $5 million worth of equipment for special projects. The Indian government had asked that Colombo Plan funds during the current year be used to buy two thirds of the 300,000 tons of wheat it was hoping to procure from Canada under the International Wheat Agreement. This would absorb the whole of the expected contribution to India. While such a use of funds would not be out of line with the possibilities that had been indicated when the Plan was established, it lacked the psychological advantages which provision of Canadian equipment would have. It was accordingly recommended that the Indian government be informed that $5 million worth of wheat could be procured under the Colombo Plan funds in accordance with certain understandings.

An explanatory memorandum had been circulated.

(Acting Minister's memorandum, Sept. 10, 1952 — Cab. Doc. 285-52)†

44. *The Cabinet* approved the recommendation of the Acting Secretary of State for External Affairs and agreed that:

(a) $5 million worth of wheat be supplied to India during the current fiscal year under the Colombo Plan;

(b) the quantity of wheat be additional to any amounts India might be purchasing from Canada under the International Wheat Agreement;

(c) Canadian officials work out urgently with the Indian authorities recommendations concerning other projects to constitute the remainder of Canada's contribution to India under the Colombo Plan in 1952-53; and,

(d) the Indian government be warned that for any future years it should plan on the assumption that wheat would not continue to be available from Canada under the Colombo Plan.

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648. DEA/11038-1-40

Le secrétaire d'État aux Affaires extérieures
au haut-commissaire en Inde

Secretary of State for External Affairs
to High Commissioner in India

TELEGRAM 216 Ottawa, September 23, 1952

CONFIDENTIAL

WHEAT FOR INDIA

We are today issuing to the press for release in tomorrow's newspapers a brief announcement of the Government's decision to allow $5 million of Colombo Plan funds to be used for wheat for India. The statement explains that India had requested a larger amount but that in the Canadian view the balance of available funds should be used for capital equipment directly related to India's development programme. Mention is also made of the counterpart fund to be established for internal financing of development projects. We are not particularly anxious to give wide publicity to this agreement but since the press has already gleaned some information we thought it advisable to issue an official statement. Ends.

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649. DEA/11038-1-40

Le haut-commissariat en Inde
au sous-secrétaire d'État aux Affaires extérieures

Office of High Commissioner in India
to Under-Secretary of State for External Affairs

LETTER No. 1204 New Delhi, October 22, 1952

CONFIDENTIAL

WHEAT FOR INDIA

Reference: Your telegram No. 216 of September 23, 1952

We called on Prem Narain[45] on October 21 to discuss outstanding matters between us. As indicated in my telegram No. 234 of October 20[†] he will shortly be taking over Bhattacharyya's work (in addition to his own and Ghosh's) and is, in fact, already handling much of it.

2. He gave us a copy of the attached letter dated October 10 from Bhattacharyya to Saksena.[†] From this you will see that the Indian authorities are disappointed with the position which we have adopted regarding the expenditure of India's share of Colombo Plan funds for Capital Development for the fiscal year 1952-53. Prem Narain informed us that Saksena was being asked to tone down this letter when he makes representations to the Canadian authorities but he thought that we should see it in order that we would know that the Indian authorities feel fairly strongly about the matter.

3. The letter deals with two points:

(a) the alleged failure on the part of the Canadian Government regarding the issue of a press release announcing the allocation of $5 million under Colombo Plan funds to be used for wheat for India;

(b) a plea for reconsideration of the decision to allocate *only* $5 million for this purpose.

4. We assume that the first point can be easily straightened out and we do not think any more is in evidence than a little pique at apparent failure to co-ordinate and time press releases. The second point seems to us much more serious. We read the letter in Prem Narain's office and then discussed it with him. He expressed the strong view that India's chief problem, at least in the first two to three years of the Colombo Plan, is internal financing and that donor nations can best help India at this stage by not forcing her to tie Colombo Plan funds too closely to the purchase of capital equipment. The position of the Indian authorities is that they need not only wheat (this need is genuine, see my despatch No. 1031 of September 5)[†] but they also need the counterpart funds which arise from its sale. They would at present rather have such funds to assist in the internal purchase of equipment, manufactured and purchasable in India, than purchase it from outside. This applied particularly to the multi-purpose projects.

5. I am not in a position to comment on the statement made in Paragraph 3 of Bhattacharyya's letter that "not much of the equipment available in Canada is suitable for such projects." I should have thought that this was hardly the case. What is more disturbing is that at this late date with the fiscal year half gone, there should still be a basic misunderstanding between the Indian and the Canadian authorities as to the objects of expenditure of Colombo Plan capital development funds.

6. Prem Narain said that the balance of $13 million could only be devoted to various small pieces of equipment, scattered over a wide variety of projects. What India would prefer, he suggested, was a package deal covering one specific project. He suggested that this would also be to Canada's advantage

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[45] Service des Affaires économiques, ministère des Finances de l'Inde.
Department of Economic Affairs, Ministry of Finance of India.

since it could then be announced that Canada had contributed to a certain project, whereas it would be difficult to list such contributions on a bits-and-pieces basis.

7. We pointed out that we did not think this to be a real disadvantage and that we had always considered that since contributions were made by the donor countries as a whole, it was not necessary for any single donor country to present a complete package. We drew Prem Narain's attention to the statement made by the Minister of Finance to Mr. Chipman on September 6, (our letter No. 1048 of September 9, 1952).[46] He appeared unconvinced.

8. We were subsequently able to see Bhattacharyya for a few minutes prior to his departure on a mission to Washington to negotiate a loan in the United States. Bhattacharyya's opposition was less vehement than that adopted by Prem Narain, as befitted a more senior man; but he seemed firmly convinced that the provision of counterpart funds was the best way, at least in the early stages of the Colombo Plan aid and of Western aid generally, for donor countries to help India. He added that he had explained this position to Mr. McIlraith and Mr. Cavell at Karachi in March and he was surprised that the Canadian authorities were apparently unable to accept it. He seriously hoped that they would reconsider their position.

9. It seems to us that we should try to get out of this impasse. We gained the impression that the Indian authorities would not be prepared (I would hesitate to say, would not be able) to use all of our 1952-53 funds unless we could see our way to giving them some more wheat. They were particularly concerned at being forced into a position where they might have to sell Colombo Plan wheat at the same price at which I.W.A.[47] wheat would have to be sold,[48] with a consequent loss of counterpart funds.

10. On November 1, Bhattacharyya leaves as a member of a group including C.C. Desai of the Ministry of Works, Housing and Supply and S. Bhoothalingam of the Ministry of Commerce and Industry, to negotiate, *inter alia*, a loan in the United States for the erection of a steel mill. They plan to be in Washington for about three weeks. We have urged Bhattacharyya that he should also visit Ottawa. He would like to accept our advice, but must, of course, first clear with his Ministry. I think the Ministry is almost certain to agree that he should go. His presence, as an able and competent senior civil servant in discussions in Ottawa, might be useful in smoothing out this difficulty. I would not, of course, suggest that negotiations with Saksena be held up pending Bhattacharyya's arrival.

RICHARD GREW

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[46] Non retrouvée./Not located.

[47] International Wheat Agreement.

[48] Note marginale :/Marginal note:

> How does our action have this result? Surely it was a bit steep of them to expect that any wheat which *we* might finance could be charged against *India's* IWA import obligations. A.E. Ritchie

650. DEA/11038-1-40

Extrait du procès-verbal de la réunion
Extract from Minutes of Meeting

CONFIDENTIAL Ottawa, November 14, 1952

COLOMBO GROUP MEETING:
3.30 P.M., NOVEMBER 3 IN ROOM 175, EAST BLOCK

Present:

Mr. Ritchie, (Chairman) External Affairs
Mr. Cavell, Trade and Commerce (International Economic and Technical Co-operation Division)
Mr. Deutsch, Finance
Mr. Heasman, Trade and Commerce
Mr. Rasminsky, Bank of Canada
Mr. Freeman, Bank of Canada

Also present:

Miss Meagher, Messrs. Ronning, Wright, Bridle, Macdonald and Thurrott

1. *Status of 1952-53 Programme*

(a) *India*

It was reported that apart from the $5 million grant of wheat no funds have been spent or committed for projects in India during the current year. Canadian consulting engineers had been in Mayurakshi and their report was expected shortly. Mr. Cavell hoped that as a result of the advice and recommendations of the engineers it would be possible to provide electrical equipment required for Mayurakshi to a total of approximately $2 million. Apart from this, no other projects were being considered.

2. The meeting then turned to a discussion of the basic difficulty in programming for India, namely the Indian insistence that the most useful Colombo Plan contribution from Canada is in the form of wheat and the contrary principle which Canadian Ministers appear to have adopted that Canadian capital equipment and not consumer goods should be provided to recipient countries in the Colombo Plan. In this connection the Group considered the report received from New Delhi in despatch No. 1204 of October 28 and its enclosure, a copy of a letter from Mr. Bhattacharyya to Mr. Saksena instructing him to make representations to the Canadian Government particularly in connection with the Government's apparent decision not to make wheat available in future. (No communication along this line has as yet been received from Mr. Saksena.) The meeting was informed that Mr. Bhattacharyya is arriving in Washington on November 7 for consultation with the International Bank and that arrangements have been made for him to visit Ottawa for Colombo Plan discussions. It was assumed that Mr. Bhattacharrya would continue to press the case strongly for additional wheat for India under the Colombo Plan but it was agreed that no steps should be taken, at least in advance of Bhattacharyya's arrival, to raise this matter with Ministers for their

re-consideration. It was thought that if in the meantime the Cabinet decides to invite Parliament to enact legislation placing the Canadian contribution to the Colombo Plan on a statutory basis for the next four years, the Indians may feel that they can lessen their pressure for wheat since funds will continue to be available which can be used on capital equipment required at a later stage.

3. The Group was inclined to agree that perhaps the most effective assistance from Canada would be through the project approach, that is by taking over particular projects from the early blueprint stage and carrying them through to completion on the basis of plans drawn up by Canadian technical experts in consultation with their opposite numbers in the receiving country. In undertaking a project Canada would accept entire responsibility for the provision of the foreign exchange element and for the engineering and technical supervision. While it would normally be expected that the recipient government would pay for all local material and labour costs, the possibility in certain circumstances of using counterpart funds derived from grants of Canadian consumer goods would not be ruled out. An example of a brand new project which might be taken over was the Umtru project in Northern India where, as Mr. Cavell reported, the Indian Government is anxious to develop hydro-electric power as an important step in improving the conditions and opportunities for the local tribesmen in an area where the government is anxious to offset the communist influence from Tibet. The meeting agreed that Umtru should be seriously considered but that care should be taken to avoid any commitment for this or other possible projects until sufficient information was available to establish clearly that the project in question was economically sound and technically feasible and of high enough priority to justify its inclusion in the Canadian programme.

4. It was agreed that continued efforts should be made to secure as much information as possible about capital equipment which might be required during this current fiscal year in connection with projects already under way in India. This information should be sought through Canadian consulting engineers now in the sub-continent, from the High Commissioner in New Delhi and from Mr. Bhattacharyya when he comes to Ottawa. Mr. Cavell undertook to provide External Affairs with a memorandum indicating precisely the sort of information which was required so that the Department could explain the problems fully to Mr. Escott Reid and ask him to do what he can

(i) to find out what might be supplied from Canada in the way of capital equipment items in the immediate future, and

(ii) as much information as possible about complete projects which it might be feasible for Canada to take over and which could be discussed in detail by Mr. Cavell when he makes his next trip to the area some time in the new year.

5. Although the Group decided not to take any further action for the present in regard to the question of additional wheat for India, Mr. Cavell was asked to explore the actual situation in regard to the physical movement of wheat out of

West Coast ports. It was understood by some members of the Group that it would not be possible to ship any more wheat until after next July.

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B.M. M[EAGHER]

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651. DEA/11038-1-40

Extrait du compte rendu des discussions

Extract from Record of Discussions

CONFIDENTIAL Ottawa, December 8, 1952

RECORD OF DISCUSSIONS WITH MR. BHATTACHARYYA, AND CANADIAN OFFICIALS, TUESDAY, DECEMBER 2, 1952

Colombo Plan Programme for India

Present:

Mr. A.E. Ritchie (Chairman), External Affairs
Mr. Bhattacharyya, Indian Government
Miss Rukmini, Office of Indian High Commissioner
Mr. Cavell, I.E.T.C. Division (T & C)
Mr. Heasman, T & C
Mr. Ronning, External Affairs
Mr. Wright, Finance
Mr. Freeman, Bank of Canada

Also present: Miss Meagher, Mr. Bridle, Mr. Rosenthal, Mr. Pratt, Mr. Thurrott and Mr. Goldschlag.

Mr. Ritchie: in opening the discussion on this item, explained in general terms the reasons behind the Canadian preference for providing Colombo Plan aid in the form of plant and capital equipment rather than wheat. It was the Government's firm and consistent policy that wheat and other staple exports should be sold on a cash basis. Such commodities constituted our currency in international trade and safe-guarded our balance of payments position. The Government was extremely reluctant to sanction any transactions (whether through the Colombo Plan, NATO, or otherwise) which departed from this general policy. An exception had been made in the first year of the Colombo Plan when wheat was given on a grant basis in India. This was done for very valid reasons prevailing at that time but it was not intended that this exception should establish a precedent for future years. As indicated in the earlier meeting with Mr. Sundaresan, Canada's first preference was to provide capital equipment.

2. *Mr. Bhattacharyya* indicated that in general his Government agreed that the most ideal form of external assistance was the provision of plant and equipment not available locally. There had, however, been limiting factors on the extent to which India could absorb such plant and equipment from Canada under the Colombo Plan. India's economic development plan had been worked out before the Colombo Plan had come into existence and as early as 1948 and '49 orders had been placed abroad for almost all of the capital equipment

needed for the execution of the development projects to be constructed up to and including the fiscal year 1953-54. Except for miscellaneous equipment needed to fill in or expand previous requirements there was very little in the way of essential capital goods which had not already been contracted for. The second limiting factor was that virtually all Indian engineers had been British-trained, worked according to British engineering practice, drew up requirements in terms of British specifications and looked to Great Britain as the source of capital equipment. In principle, the Indians could agree that suitable capital equipment should come first but in practice these two limitations made it difficult to receive the whole contribution in the form of Canadian capital equipment in the next couple of years. In the current situation wheat was at least equally conductive to development. The need for local finance was great and the counterpart funds arising from the sale of the wheat helped to provide rupee capital. It also helped an immediate problem by permitting the Government to sell wheat at lower than the prevailing rates and thus some of the people could be fed more cheaply.

3. *Mr. Bhattacharyya* explained further that it had been the view of the Indian authorities that there was much to be said from a public relations point of view in identifying particular economic development projects with particular donor countries. Thus they had felt that Canada's contribution to the economic development of India would be more effective in terms of promoting good will and friendly relations if its Colombo Plan aid were associated with a few small or middle-sized projects which could be completely, or almost completely, carried out with Canadian assistance. Since every project required a substantial proportion of rupee capital, this concept could only be put into effect if Canada were prepared to provide not only the essential capital equipment but also the means of creating counterpart funds. The alternative, which under the present Canadian policy was inevitable, was to distribute Canadian assistance in the form of capital equipment among several projects which were being financed from a variety of sources.

4. During the discussion which followed, *Mr. Bhattacharyya* explained that the economic development projects which were now under way represented the maximum effort which the Indian Government could put into its Five-Year Plan at the present time and that while there were additional projects which would be undertaken, the Indian Government would not, in any event, be in a financial position to commence operation on these before 1954-55. External assistance for such projects, if limited to plant and capital equipment, could, therefore, not be used for the next couple of years since the corresponding rupee capital for local costs could not be made available by the Indian Government. Such projects could only be begun, if external assistance could be made available for counterpart funds as well as for capital equipment.

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III. *Status of Counterpart Funds*

14. The commodities which have been provided to India by Canada under counterpart fund arrangements consist of $10 million worth of wheat in

1951/52, $5 million worth of wheat in 1952/53, and $4.5 million worth of buses and trucks which will go forward in 1952/53. It had already been agreed between the two Governments that the counterpart funds for the $10 million grant of wheat would be used for local costs in connection with Mayurakshi. It seemed clear, from figures which had already been provided by the Indian Government and from explanatory remarks by Mr. Bhattacharyya, that the total rupee expenditure at Mayurakshi would amount to approximately $15 million. The meeting agreed that the counterpart funds arising from the sale of the current year's wheat contribution of $5 million should be devoted to Mayurakshi. If it developed that the full amount would not be required, any balance would be used for the construction of the Umtru project, provided that it was finally decided to accept this as part of the Canadian programme. There was no discussion of the use to which the bus and truck counterpart funds should be put since the first payment into the fund will not be made for more than a year and the total amount will not be paid up for six years.

15. *Mr. Bhattacharyya* informed the meeting that the Indian Government had credited the Special Account with the rupee equivalent of the $10 million wheat contribution as soon as the wheat reached India and before it was actually distributed for sale. He did not have the figures for disbursements from the Special Account or for the balance, if any, remaining. It was agreed that there was no immediate need to have this information and the meeting accepted Mr. Bhattacharyya's suggestion that the Indian Government should furnish an accounting statement as soon as possible after March 31, 1953.

B.M. M[EAGHER]

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652. PCO

Note du secrétaire d'État par intérim aux Affaires extérieures pour le Cabinet

Memorandum from Acting Secretary of State for External Affairs to Cabinet

CONFIDENTIAL Ottawa, December 9, 1952

COLOMBO PLAN — 1952-53 PROGRAMME FOR INDIA

Cabinet has already authorized the expenditure of $5 million from the 1952/53 Colombo Plan Vote for the provision of wheat to India, the equivalent value in rupees to be credited by the Indian Government to the special counterpart fund account for use of defraying local costs of economic development projects. Present indications are that most, if not all, of these counterpart funds will be required to complete the construction of the Mayurakshi irrigation and hydro-electric project, which has been largely financed so far from the counterpart funds arising from the 1951-52 Canadian grant of $10 million worth of wheat.

2. It will be recalled that the 1951-52 programme for India also included an allocation of $500,000 for direct capital aid to Mayurakshi in the form of certain items of Canadian equipment. Preparatory work on the hydro-electric

plant for this project has now reached the stage where the Indian authorities are ready to place orders for all the electrical and generating equipment and it is estimated that the total requirements will cost in the neighbourhood of $5 million. Two Canadian consulting engineers have recently surveyed the project and have submitted a highly favourable report on it. The detailed specifications have been drawn up by the Indian engineers at Mayurakshi in accordance with British standards but these can be converted into equivalent Canadian terms without difficulty and if the provision of Canadian equipment is approved, it is intended that one or two Indian engineers will proceed to Canada immediately to collaborate with Canadian engineers in this task.

3. In addition to the generating equipment needed at the site of the power house, the Indian Government has requested that Canada also supply the transmission lines and related items required to distribute the electric energy to the surrounding district.

4. Canada has already contributed substantially to the construction of Mayurakshi through the use of counterpart funds. The provision of all the necessary capital equipment would make it virtually a Canadian project.

Recommendation: It is recommended that approval be given for the provision of generating and transmission equipment for Mayurakshi up to a maximum of $5 million (this total to include the amount of $500,000 allocated to Mayurakshi in the 1951-51 programme).

W.E. HARRIS
Acting Secretary of State
for External Affairs pro tem

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653. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa,] December 10, 1952

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COLOMBO PLAN; 1952-53 PROGRAMME FOR INDIA

33. *The Minister of Citizenship and Immigration as Acting Secretary of State for External Affairs pro tem* referred to the discussion at the meeting of September 13th at which the Cabinet authorized the expenditure of $5 million from the 1952-53 Colombo Plan Vote for the provision of wheat for India. Most, if not all, the counterpart funds set aside by India would be required to complete the construction of the Mayurakshi irrigation and hydro-electric project. It was estimated that electrical and generating equipment for the project would cost in the neighbourhood of $5 million. In addition to the generating equipment, the Indian government had requested that Canada supply the transmission lines and related items required to distribute the electric energy to the surrounding district. It was recommended that approval be given for provision of equipment accordingly.

An explanatory memorandum had been circulated.

(Acting Minister's memorandum, Dec. 9, 1952 — Cab. Doc. 375-52)

34. *The Acting Prime Minister* said the project had been carefully considered by the Department of Trade and Commerce and appeared to be a sound one. He thought the recommendation should be approved.

35. *The Cabinet* approved the recommendation of the Acting Secretary of State for External Affairs *pro tem* that, under the 1952-53 Colombo plan programme for India, generating and transmission equipment be provided for the Mayurakshi irrigation and hydro-electric project up to a maximum of $5 million; the total to include the amount of $500,000 that had been allocated for direct capital aid to the project in the 1951-52 programme.

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SECTION F

PAKISTAN

654. DEA/11038-2-40

Le secrétaire d'État aux Affaires extérieures
au haut-commissaire au Pakistan

Secretary of State for External Affairs
to High Commissioner in Pakistan

TELEGRAM Air No. 2 Ottawa, January 28, 1952

CONFIDENTIAL

COLOMBO PLAN — PROGRAMME FOR PAKISTAN

As a result of careful investigations into the supply situation in Canada, it has now become clear that the original programme for Pakistan which had been worked out with Pakistan officials and approved by the Cabinet must be amended. We had been considering the possibility of providing a number of diesel locomotives to substitute for other items for which materials are not available. However, after consultation with the International Bank we have decided not to go ahead with this project which the Bank itself is anxious to handle.

2. We have now drawn up a revised programme which responsible officials here consider to be practicable in present circumstances. We propose to submit the revised programme to the Cabinet within the next week or ten days. Meanwhile we have discussed it with Mohammed Ali, who is informing his government and who assures us that it will be acceptable.

3. For your information the programme, subject to Cabinet approval would be as follows:

(a) *Cement Plant for Thal*

This would include engineering survey and provision and erection of machinery. It would not include the construction of the building except for the provision of a minimum amount of structural steel and the provision if necessary of a temporary diesel power plant. Agreement would include the qualification that the construction of the plant would be subject to review by the Canadian and Pakistan Governments after receipt of the engineering report. Approximate cost estimated at $5 million.

(b) *Photographic and Geological Survey*

Cost $2 million.

(c) *Equipment for Thal Livestock Farm*

Cost $2 hundred thousand.

(d) *Railway Ties* in an amount to bring the total to $10 million.

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655. DEA/11038-2-40

Le secrétaire d'État aux Affaires extérieures
au haut-commissaire par intérim du Pakistan

Secretary of State for External Affairs
to Acting High Commissioner of Pakistan

Ottawa, March 25, 1952

Dear Mr. Enver:

I refer to the programme for Canadian assistance under our 1951-52 Colombo Plan allocation to Pakistan. At present, I understand, the programme is as follows:

1.	Cement plant for Thal Colonization Project	approx. $5 million
2.	Railway ties	approx. $2.8 million
3.	Air and geological survey (subject to further consideration)	approx. $1 million
4.	Agricultural machinery (subject to further consideration)	approx. $1 million
5.	Experimental Livestock Farm for Thal Colonization Project	approx. $200,000
	This project will be carried out jointly with Australia and New Zealand. It is expected that Canada will supply chiefly machinery and equipment. Steps have been taken to furnish detailed information on requirements so that availability in Canada can be determined.	
	Total	approx. $10 million

Under the proposed procedure, the programme listed above would be subject to change or addition, with the approval of both Governments, in the light of the supply position in Canada or other considerations. The cost of all the projects finally included in the programme could not, of course, exceed approximately $10 million.

To facilitate the carrying out of the above programme, it is proposed that

(a) the Government of Pakistan direct the Government of Canada to pay to the Canadian Commercial Corporation as agent of the Pakistani Government the amount of any grant that Canada proposes to make to the Government of Pakistan under the Colombo Plan;

(b) each such grant made to the Government of Pakistan will be used to procure goods and services to assist in the economic development programme of Pakistan and will be applied only to specific projects that have been approved in accordance with the "Statement of Principles" agreed between the Government of Canada and the Government of Pakistan on the 10th day of September, 1951;

(c) the Government of Pakistan will procure the said goods and services through the Canadian Commercial Corporation which shall act as agent of the Government of Pakistan in that behalf, and all contracts for the procurement of such goods and services must be approved in writing by the Secretary of State for External Affairs of Canada before they are entered into; and

(d) in the event that Pakistan has not, by a future date to be determined by Canada of which notice in writing will be given to Pakistan, applied the whole of any grant in accordance with paragraph (b) above, Pakistan will on request in writing by Canada pay to Canada in Canadian dollars an amount equal to the portion of the grant not so applied, out of the funds at the credit of Pakistan with the Canadian Commercial Corporation.

If the proposed procedure is acceptable to your Government, this letter and your reply will constitute an agreement on this subject, effective from the date of your reply, and a direction to the Government of Canada to make payment to the Canadian Commercial Corporation as agent of Pakistan as set out in paragraph (a) above.

Yours sincerely,

A.D.P. HEENEY
for Secretary of State
for External Affairs

656. DEA/11038-2-40

Le haut-commissaire par intérim du Pakistan
au secrétaire d'État aux Affaires extérieures

Acting High Commissioner of Pakistan
to Secretary of State for External Affairs

Ottawa, March 27, 1952

Dear Mr. Pearson:

I refer to your letter of March 25th, proposing agreement between our two Governments on a procedure to facilitate carrying out the programme of Canadian assistance under your Government's 1951-52 Colombo Plan allocation to Pakistan. The procedure as set out in your letter is acceptable to my Government, and therefore your letter and this reply constitute an agreement on this subject, effective from March 27th. The Government of Pakistan request the Government of Canada to make payment to the Canadian Commercial Corporation as agent of Pakistan as set out in paragraph (a) of your letter.

Yours sincerely,

E.H. ENVER

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657. DEA/11038-2-40

Le haut-commissaire du Pakistan
au secrétaire d'État aux Affaires extérieures

High Commissioner of Pakistan
to Secretary of State for External Affairs

CP/26/52 Ottawa, April 28, 1952

Dear Mr. Pearson,

Please refer to Mr. Enver's letter of March 27th, 1952, which was a reply to your communication of March 25th, proposing agreement between our two Governments on a procedure to facilitate carrying out the programme of Canadian Assistance under your Government's 1951-52 Colombo Plan allocation to Pakistan.

2. In Para 1 of your above-mentioned letter of March 25th, 1952, are given the details of the programme for the year 1952. In view of a number of factors, my Government has now decided to request deletion of item No. 4, namely "Agricultural machinery", (approximately $1 million), and to increase the expenditure on item No. 3, "Air and Geological Survey" to approximately $2 million.

3. If the revision of the programme as outlined in the above paragraph No. 2 is acceptable to your Government, then the programme for Canadian Assistance under your 1951-52 Colombo Plan allocation to Pakistan would be as follows:

1)	Cement Plant for Thal Colonization Project	approx. $5 million
2)	Railway ties	approx. $2.8 million
3)	Air and Geological survey (subject to further consideration)	approx. $2 million
4)	Experimental Livestock Farm for Thal Colonization Project	approx. $200,000.00
	This project will be carried out jointly with Australia and New Zealand. It is expected that Canada will supply chiefly machinery and equipment. Steps have been taken to furnish detailed information on requirements so that availability in Canada can be determined.	
	Total	approx. $10 million

I shall be grateful if you will kindly let me have at an early date the views of your Government.

Yours sincerely,
M. IKRAMULLAH

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658. DEA/11038-2-40

Note du sous-secrétaire d'État adjoint aux Affaires extérieures pour le secrétaire d'État aux Affaires extérieures

Memorandum from Deputy Under-Secretary of State for External Affairs to Secretary of State for External Affairs

Ottawa, May 2, 1952

COLOMBO PLAN — 1951/52 PROGRAMME FOR PAKISTAN

In the exchange of letters in late March, with the Indian and Pakistan High Commissioners, agreeing on a procedure for the use of the funds which were to be carried over into this year, a list of projects was set forth with approximate amounts earmarked for each project. It was agreed, however, that the programme as set forth "would be subject to change or addition, with the approval of both Governments, in the light of the supply position in Canada or other considerations."

2. During Mr. Cavell's visit in Karachi he discussed the various projects with Pakistan officials and the Pakistani decided that the Agricultural Machinery item should be deleted and the Air and Geological Survey should become a $2 million, instead of a $1 million project. This suited us better since it turned out that the agricultural machinery the Pakistani were expected to get was really heavy earth-moving equipment and related items, which we could not supply. Moreover, the Survey project has impressed officials here as being a very useful and worthwhile project and we were glad to have the Pakistani agree to extend the scope of the Survey.

3. The High Commissioner for Pakistan has now submitted his Government's proposed revision of the programme in a formal letter addressed to you. A copy of Mr. Ikramullah's letter has been sent to the Department of Finance and Trade and Commerce for submission to Mr. Abbott and Mr. Howe. Will you please let me know if you concur in the change requested by the Pakistani?[49]

E. R[EID]

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659. DEA/11038-2-40

Le secrétaire d'État aux Affaires extérieures
au haut-commissaire du Pakistan

Secretary of State for External Affairs
to High Commissioner of Pakistan

Ottawa, May 12, 1952

Dear Mr. High Commissioner,

I refer to your letter of April 28, conveying the request of your Government for a revision in the 1951/52 Canadian programme of assistance to Pakistan under the Colombo Plan.

2. I am happy to inform you that your Government's proposal, namely to delete Item 4 "Agricultural Machinery" and to apply the corresponding amount of approximately $1 million to Item No. 3 "Air and Geological Survey", is acceptable to the Canadian Government.

Yours sincerely,

ESCOTT REID
for Secretary of State
for External Affairs

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660. DEA/11038-2-40

Le secrétaire d'État aux Affaires extérieures
au haut-commissaire au Pakistan

Secretary of State for External Affairs
to High Commissioner in Pakistan

DESPATCH NO. E-270 Ottawa, June 14, 1952

CONFIDENTIAL

POSSIBLE CANADIAN PROGRAMME FOR PAKISTAN IN 1952/3 UNDER THE COLOMBO PLAN

On June 10, the Canadian officials concerned met with Mr. Ikramullah, the Pakistan High Commissioner, and with Mr. Said Hasan of the Pakistan Ministry of Economic Affairs, to discuss the projects which the Pakistan authorities wished to have considered for inclusion in any programme for 1952/53. The following notes constitute an informal record of the discussion.

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[49] Note marginale :/Marginal note:
OK. L.B. P[earson]

a) Mianwali

A power plant is to be constructed at Mianwali to provide electric energy for the Thal area. Pakistan engineers have done a survey and have prepared blue prints and a U.N. expert has been called in by the Pakistan Government to investigate the project and to advise on the plans drawn up by Pakistan engineers. The U.N. expert's report is to be considered by the Pakistan Planning Commission probably before the end of this month. It is expected that Pakistan will be in a position to begin the project soon and to provide specifications for the equipment and materials needed. Mr. Said Hasan has promised to provide a copy of the U.N. expert's report and a memorandum describing the project, including the time-table for the commencement of the work and the date on which Canadian equipment could be put to use.

b) East Bengal Irrigation Scheme

The requirement here is for lift pumps to irrigate an area of approximately 500,000 acres. One pump irrigates approximately 1,000 acres. Depending upon the amount of money available for this project, the Pakistanis could use up to 500 pumps. An FAO expert has been in the region investigating conditions and requirements and his report will be made available to the Canadian authorities.

c) Karachi Water Supply and Sewage

The population of Karachi has increased from 300,000 to 1,400,000 since partition. The water supply is very inadequate and the municipal government is unable to provide the necessary finances to improve it. The central government must take steps very soon as the present situation is extremely dangerous from the health point of view. The requirements from Canada would be for intermediate pumping stations.

d) Taunsa

This is an area somewhat similar to the Thal region where the Pakistan Government is planning to undertake an irrigation and hydro-electric project. Canada's assistance is requested in the construction of a barrage. A technical report of engineers will be available soon and detailed specifications will be provided.

e) East Pakistan River Transport

A large part of East Pakistan is not served by railroads and there is a great deal of river traffic both for people and goods. The Pakistan Government would like Canada to provide shallow draft boats (not bigger than 500 tons). A memorandum describing and justifying the project will be provided and detailed specifications supplied. A suggestion was made, which Mr. Said Hasan promised to look into, that the Pakistani might themselves build the boats and that we might provide engines.

It was generally agreed that all five projects should be investigated further.

A copy of this despatch is being supplied to the Pakistan High Commissioner for his information.

H.O. MORAN
for Secretary of State
for External Affairs

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661. DEA/8508-40

Extrait du procès-verbal de la réunion des chefs de direction

Extract from Minutes of Meeting of Heads of Division

CONFIDENTIAL Ottawa, July 21, 1952

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THE COMMONWEALTH

The Colombo Plan

6. ***Mr. Ritchie.*** Mr. Said Hasan, of the Pakistan Ministry of Economic Affairs, visited Ottawa on July 16 and met with the Interdepartmental Colombo Group to discuss, in a preliminary way, a possible programme of Canadian aid to Pakistan for 1952-53. Mr. Said Hasan had suggested certain projects during an earlier meeting with Canadian officials and had promised to provide detailed information regarding them. At the meeting on July 16 he submitted two or three additional projects and changed the order of priority of those projects included in his first list. It was made clear by the Pakistan High Commissioner, who was also present at the meeting, that the inclusion of certain projects and the high priority given to others were the result of political pressure brought to bear by certain elements who complained that a disproportionate share of Colombo Plan aid was going to the Punjab. The Central Government apparently recognizes the validity of wider distribution of the benefits of external aid and is now anxious that Canada's programme should include projects in East Pakistan and in the North West Frontier Province as well as in the Punjab. The list as it now stands in the order of priority given the projects by the Pakistan Government is as follows:

(1) Lift irrigation project — East Pakistan (pumps and tube-well equipment required from Canada)

(2) River transport project — East Pakistan (small shallow draft boats with diesel engines required — Pakistan might be able to provide the hulls if the engines were supplied by Canada)

(3) Warsak hydro-electric project — North West Frontier Province

(4) Mianwali hydro-electric project — Thal, Punjab

(5) Karnafuli hydro-electric project — East Pakistan

(6) Karachi water supply

(7) Taunsa irrigation project

It is understood that Canada cannot undertake all these projects; they allow for a selection to be made. Mr. Said Hasan and Mr. Ikramullah were anxious that the 1952-53 programme should include the first four projects.

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662. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa,] August 14, 1952

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PAKISTAN; REQUEST FOR ASSISTANCE RE WHEAT REQUIREMENTS

44. *The Secretary of State for External Affairs* reported that, on July 21st, the High Commissioner for Pakistan had conveyed a request from his government for Canadian assistance in purchasing some 300,000 tons of wheat valued at $20 to $25 million to be delivered to Pakistan for the end of March 1953. The High Commissioner had suggested several possible courses of action. None of the suggestions seemed to be practicable or advisable. However, in view of the important bearing which the prospective shipment of Canadian wheat would have on the well-being and stability of the South-Asian area, he strongly recommended that some means be found to come to the assistance of Pakistan in this instance. One possibility might be the issuance of a contract of insurance or a guarantee against which credit could be secured from commercial banks under the terms of the Export Credits Insurance Act. The Act had not been used in the past to finance purchases of this character or to cover a period as long as the five to seven years suggested in this case. If it were thought undesirable to create a precedent by resorting to such a course of action, it might be possible to finance some of Pakistan's other purchases from Canada, such as certain arms purchases, through this channel, thus releasing funds which could be used to buy at least part of the amount of wheat.

An explanatory note was circulated.

(Minister's memorandum, August 1952, Cab. Doc. 258-52)†

45. *The Minister of Finance* said Canadian wheat sales had always been made on a cash basis. He thought it would be undesirable to disturb this practice. The only practical solution he could see would be to increase Canadian contributions to the Colombo Plan, thus enabling a portion or all of the 300,000 tons to be brought under the Plan. This would involve a new and unforeseen cash disbursement by the Federal Treasury without any immediate compensating revenue from other sources. Parliamentary approval would be required.

46. *The Acting Prime Minister* said the Export Credits Insurance Act was not intended for this sort of transaction and that, in any event, it seemed to him unwise to introduce an element of credit into transactions involving wheat or metals.

47. *The Cabinet*, after discussion, noted the request of the Pakistan government for Canadian assistance in supplying 300,000 tons of wheat to that country and agreed that the suggestion of the Secretary of State for External Affairs concerning the possibility of financing certain suitable Pakistan purchases in Canada through the Export Credits Insurance Act, thus enabling the Pakistani government to use the funds so released for the purpose of Canadian wheat, be explored and a report submitted to the Cabinet.[50]

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663. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa,] September 13, 1952

. . .

WHEAT FOR PAKISTAN

39. *The Minister of National Defence as Acting Secretary of State for External Affairs*, referred to discussion at the meeting of August 14th, concerning the request from Pakistan for assistance in financing the procurement of some 300,000 tons of wheat from Canada. In accordance with the decision, investigation had been made of the possibiity of providing assistance through enabling Canadian exports to Pakistan other than wheat to be financed under the Export Credits Insurance Act thus releasing costs for the wheat purchase. It appeared that the possibility of providing assistance in this indirect manner was not promising. The United States government was contemplating a loan of $15 million to Pakistan at a low rate of interest to finance the purchase of 160,000 tons of wheat there. The U.S.S.R. was arranging for an exchange of jute and cotton against wheat. It appeared desirable that some assistance be provided by Canada and it was recommended that Pakistan be authorized to use the facilities of the Export Credits Insurance Act to assist in financing 75,000 tons of wheat from Canada between now and March 31st and that payment be over a period of 5 to 10 years.

An explanatory memorandum had been circulated.

(Acting Minister's memorandum, Sept. 10, 1952 — Cab. Doc. 284-52)†

40. *Mr. Claxton* said the Secretary of State for External Affairs was very anxious that the most sympathetic consideration should be given to the request for financial assistance. The position of Pakistan was of the greatest importance in relation particularly to the situation of the Moslem countries and South-East Asia. He personally agreed with Mr. Pearson's view and thought the continued strength and good will of Pakistan was of vital importance.

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[50] Voir le document 646./See Document 646.

41. *The Minister of Finance* thought it quite improper for the Export Credits Insurance Act to be used to finance a wheat purchase. If that were done, a very undesirable precedent would be established and it would be difficult to refuse future requests from other countries. If special assistance were to be given, it would be preferable to have a special vote in the estimates. He understood, however, that it was not likely that the full amount of Canadian assistance to Pakistan under the Colombo Plan could be expended during the present fiscal year on the projects for which it had been allocated. In the circumstances the desirable course might be to allow Pakistan to use $5 million for the purchase of wheat and to hold over to the next fiscal year some engineering order which could not, in fact, be ready during the present year.

42. *The Cabinet*, noted the recommendation of the Acting Secretary of State for External Affairs concerning the desirability of providing special assistance to Pakistan to finance purchases of Canadian wheat and agreed that:

(a) no arrangement be made to enable Pakistan to use the provisions of the Export Credits Insurance Act for the purchase of wheat, but,

(b) the government of Pakistan be informed that the Canadian government would permit $5 million of the appropriation for assistance to Pakistan under the Colombo Plan to be used for the purchase of wheat during the fiscal year 1952-53, if a similar sum in Pakistani funds was set aside for development under the Colombo Plan.

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664. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa,] October 23, 1952

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WHEAT FOR PAKISTAN

38. *The Minister of National Defence, as Acting Secretary of State for External Affairs* referred to a decision of October 9th that $12 million of Canadian No. 5 wheat be delivered to Yugoslavia on the basis of a 20 percent cash payment and the remaining 80 percent to be paid at the end of one year, the whole transaction to be under the Export Credits Insurance Act. In reply to an earlier request from Pakistan for assistance in the financing of the procurement of some 300,000 tons of wheat to that country, Cabinet had agreed on September 13th that, in the absence of any suitable alternative, Pakistan be informed that the Canadian government would be prepared to allow the use of up to $5 million of the proposed Canadian contribution under the Colombo Plan to finance the purchase of a portion of the required wheat from Canada.

Although no reply had yet been received from Pakistan in this matter, the High Commissioner for Pakistan had indicated that the impression would probably be created that Pakistan was being treated less generously than Yugoslavia.

It was for consideration whether it would not now be advisable to make an offer to the Pakistan Government somewhat along the lines of the arrangement with Yugoslavia.

An explanatory note had been circulated.

(Acting Minister's memorandum, Oct. 22, 1952 — Cab. Doc. 338-52)'

39. *The Minister of Trade and Commerce* felt strongly that the arrangement with Yugoslavia for purchase on credit of $12 million of Canadian No. 5 wheat had been ill advised. Wheat was a commodity which should not normally be sold on any other basis than cash payments. In any event, this had always been the practice in wheat exporting countries and it now seemed quite clear that anything short of cash on delivery would inevitably lead to difficulties.

If it were felt that political reasons were strong enough to warrant delivery of the Canadian wheat on credit to Commonwealth or other countries, he suggested that a special appropriation be sought to cover such sales.

40. *The Prime Minister* said that, in cases where cash sales of wheat were not possible, it would probably be inadvisable for the Canadian government to go beyond agreeing to the financing of a portion of wheat deliveries under the Colombo Plan as had been done with India.

41. *The Cabinet*, after discussion agreed that

(a) Canada could not go beyond the offer made to the Pakistan Government on September 17th for the financing of a certain portion of wheat deliveries to that country under the Colombo Plan; and,

(b) as a matter of general practice in future, the government would not agree to any alternative to the cash payment basis other than the sort of Colombo Plan financing arrangements recently made with India.

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665. DEA/11038-2-40

Extrait du procès-verbal de la réunion

Extract from Minutes of Meeting

CONFIDENTIAL Ottawa, November 14, 1952

COLOMBO GROUP MEETING
3.30 P.M., NOVEMBER 3 IN ROOM 175, EAST BLOCK

Present:

Mr. Ritchie, (Chairman) External Affairs
Mr. Cavell, Trade and Commerce (International Economic and Technical Co-operation Division)
Mr. Deutsch, Finance
Mr. Heasman, Trade and Commerce
Mr. Rasminsky, Bank of Canada
Mr. Freeman, Bank of Canada

Also present:

Miss Meagher, Messrs. Ronning, Wright, Bridle, Macdonald and Thurrott

I. *Status of 1952-53 Programme*

. . .

(b) *Pakistan*

6. It was recalled that when Mr. Said Hasan was in Ottawa he had put forward five projects for consideration; hydro-electric development projects at Karnafuli, Warsak and Mianwali, a lift irrigation project in East Bengal and a river transport project also in East Bengal. Mr. Cavell reported that two Canadian consulting engineers had gone to Pakistan to examine the hydro-electric projects at first hand and to report on the type and appropriate timing of Canadian assistance. They had completed their survey of Karnafuli and Mianwali and were ready to look at Warsak. Consideration of the Canadian equipment to be provided would have to await receipt of the engineers' reports.

7. Several attempts have been made to ascertain the real requirements for the East Bengal lift irrigation project but specifications received had been useless and it had not yet been possible to secure the basic information on this project. Mr. Cavell reported that three or four companies in Canada were prepared to undertake the manufacture of pumps for the East Bengal project when the precise specifications were available but no definite action could be taken meanwhile. An urgent request had been sent to the Canadian Mission in Karachi to attempt to find out from the Pakistan authorities the depth of the river water and the height the pumps would be required to lift it. This information would make it possible to design a pump to meet the requirements.

8. On the river transport project for East Bengal, Mr. Cavell reported the Central Government authorities and the local Bengali authorities disagreed on requirements. The Pakistan Government wished to have Canada provide the complete unit, i.e. hull and engine, while the Provincial authority preferred to have the hulls built in East Bengal and to equip them with engines provided by

Canada under the Colombo Plan. Until the Central and Provincial Governments reached agreement there was nothing that could be done at the Canadian end.

B.M. M[EAGHER]

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666. DEA/11038-2-40

Note de la Direction économique
pour le sous-secrétaire d'État aux Affaires extérieures

Memorandum from Economic Division
to Under-Secretary of State for External Affairs

CONFIDENTIAL Ottawa, November 21, 1952

WHEAT FOR PAKISTAN[51]

In connection with the efforts which the Pakistan Government made a few months ago to secure supplies of wheat quickly in order to tide them over until more permanent arrangements could be made, you may recall that they secured the agreement of the U.K. Government to the diversion of a cargo of Australian wheat destined for the United Kingdom. The diversion was made on the condition that Pakistan would replace this cargo in a few months' time. I understand from Vogel of Trade and Commerce that the Pakistan High Commissioner is calling for bids on a replacement cargo from Canada today.

2. Although no action by the Canadian Government is required in connection with this transaction, I think that its significance from several points of view should be noted within this Department.

3. In the first place, today's action by the Pakistanis would seem to show a very commendable determination on their part to live up to their undertakings. The evidence is all the more impressive when it is realized that this replacement wheat will have to be bought at the very high price (over $2.60 a bushel) applicable to wheat shipped from Atlantic ports and outside the International Wheat Agreement.

4. Secondly, the fact that they are making the replacement with this very expensive Canadian wheat would seem to indicate either that the quantities of wheat which they have managed to secure from other sources (e.g. the U.S.A., U.S.S.R. and Turkey) are no more than adequate to meet their own urgent requirements or that the price of such wheat is even higher than that which they will have to pay for this Canadian shipment. Otherwise, one would have expected them to use part of the wheat from those other sources to replace the cargo received earlier from the United Kingdom.

5. Thirdly, the insistence by the United Kingdom on a replacement in these circumstances would seem to indicate that the United Kingdom does not regard itself as in a position to be particularly generous to Pakistan. Apparently, at the time of the original diversion, the United Kingdom asked

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[51] Note marginale :/Marginal note:
noted. W[ilgress]

that replacement should be in the form of No. 2 Northern wheat and that this wheat should reach the United Kingdom not later than December 15. It would seem that the United Kingdom has not seen fit to relent on these original terms.

6. Finally, whatever considerations may have prompted the Pakistanis to go ahead with this replacement from Canada, it may seem rather surprising that they have not resorted to Colombo Plan financing. As you know, our offer to allow them $5 million worth of wheat under the Colombo Plan is still open. The fact that they have not used these facilities for this purchase, despite the pretty heavy outlay of dollars involved, would seem to emphasize their determination to keep their share of our Colombo Plan funds intact for use directly on development projects.

A.E. RITCHIE

4ᵉ partie/Part 4

RELATIONS AVEC DES PAYS PARTICULIERS RELATIONS WITH INDIVIDUAL COUNTRIES

SECTION A

AUSTRALIE : VISITE DU PREMIER MINISTRE À OTTAWA, 22-26 JUIN 1952

AUSTRALIA: VISIT OF PRIME MINISTER TO OTTAWA, JUNE 22-26, 1952

667. DEA/11529-40

Note pour le secrétaire d'État aux Affaires extérieures

Memorandum for Secretary of State for External Affairs

CONFIDENTIAL Ottawa, June 23, 1952

MR. MENZIES' REMARKS ABOUT NATO AT PRESS CONFERENCE

At Mr. Menzies's Press Conference this morning at the Parliamentary Press Gallery, he emphasized the reciprocal importance of North Atlantic, Middle East and Southeast Asian security arrangements and the bearing these have on what he termed "the whole picture". He was then asked specifically which NATO activities were of concern to Australia. He replied: "I don't know what NATO is talking about. If I did, we just might have some intelligent contribution to make. Stranger things have happened." He then expressed disappointment that there was no machinery in existence by which Australia could be kept informed of NATO arrangements which, in fact, might be of interest to Australia. When asked whether he would discuss this problem with you, he stated: "I don't know whether Mr. Pearson will be able to help in this matter."[52]

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668. DEA/11529-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis

Secretary of State for External Affairs
to Ambassador in United States

DESPATCH No. K-1157 Ottawa, July 7, 1952

TOP SECRET

MR. MENZIES' VISIT TO OTTAWA

The Prime Minister of Australia and Mrs. Menzies, accompanied by Mr. Watt (Secretary to the Department of External Affairs), Dr. Wilson (Secretary to the Department of the Finance), Mr. Chilton (Deputy Secretary, Department of Finance), Mr. Brown (Secretary to the Prime Minister's Department), Mr. Cockburn (Press Secretary to the Prime Minister) and Mr. Cox (Melbourne Herald) visited Ottawa from June 22-26. Mr. and Mrs. Menzies were guests of the Governor-General during their short stay in the city.

2. Mr. Menzies had discussions with Mr. St. Laurent, Mr. Pearson, Mr. Abbott and Mr. Claxton and, for your information, I am giving below an account of these conversations.

3. I attach a copy of a memorandum prepared in the Department for the Prime Minister, giving background information on a number of topics which it was thought Mr. Menzies might want to talk about.†

4. In Mr. Menzies' discussions with Mr. Pearson, the former brought up the subjects mentioned in your telegram No. WA-1661 of June 21.† Security in the Pacific was discussed in a very general way and Mr. Menzies mentioned that he hoped the first meeting of the Pacific Council would be held in Honolulu in August. Nothing of significance was raised in this part of the conversation.

5. On the morning of June 23, Mr. Menzies held a press conference in the Parliamentary Press Gallery and emphasized the reciprocal importance of North Atlantic, Middle East and South-East Asian security arrangements and the bearing these had on what he termed "the whole picture". He was then

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[52] Notre copie du document porte la mention manuscrite suivante:
The following was written on this copy of the document:

> He talked to me about this — but had nothing to suggest. I told him we were doing our best to let our friends in Australia know what NATO was doing and I said that Mr. Heeney and Sir Keith Officer were in close touch in Paris. I expressed appreciation of the Australian wishes in this matter and suggested they should examine the matter when the Pacific Security Pact meeting took place this summer. I asked Mr. Menzies if he were aware of the formula we had adopted for EDC — but he seemed to be ignorant of this. L.B. P[earson]

asked which NATO activities were of concern to Australia. He replied: "I don't know what NATO is talking about. If I did, we just might have some intelligent contribution to make. Stranger things have happened." He then expressed disappointment that there was no machinery in existence by which Australia could be kept informed of NATO arrangements which might be of interest to Australia. When asked whether he would discuss this problem with Mr. Pearson, he stated: "I don't know whether Mr. Pearson will be able to help in this matter." Mr. Menzies did bring up this question with Mr. Pearson but made no suggestions as to how effective liaison might be worked out. The Minister told him we were doing our best to let our friends in Australia know what NATO was doing and said that Mr. Heeney and Sir Keith Officer were in close touch in Paris. The Minister said we appreciated Australian wishes for effective liaison with NATO and suggested that the problem be examined by the Pacific Council at its meeting later this summer. Mr. Pearson asked Mr. Menzies if he were aware of the formula which had been worked out between NATO and EDC. Mr. Menzies had no knowledge of this. Mr. Pearson suggested that a similar formula might possibly be suitable for liaison between NATO and the Pacific Council.

6. Mr. Menzies told Mr. Pearson that he thought it would be useful if a Commonwealth economic conference could be held, but he realized that Canada could not take the initiative in calling such a conference. Mr. Menzies had mentioned this subject in his press conference and later in his speech to the Canadian Club he strongly urged that Commonwealth Prime Ministers meet to study the various problems of trade, finance and economic development. You may have noticed in Hansard that a question about this was asked in the House of Commons on June 26. Mr. Diefenbaker asked if the Canadian Government would consider giving a lead in the direction of convening such a conference. Mr. St. Laurent answered that Mr. Menzies had discussed the subject with him, but the Canadian Government, Mr. St. Laurent said, would not take the initiative in calling such a conference.

7. Since the State Department had been very kind in keeping you fully informed of Mr. Menzies' discussions in Washington, we were anxious to reciprocate and tell U.S. Embassy officials in Ottawa what Mr. Menzies discussed here. It was arranged that Mr. J.H. Morgan, Counsellor at the Embassy, would come to the Department and be informed of the talks. However, he was called out of town suddenly and the Embassy told us he would be unable to come until sometime this week. We were not going to inform him of Mr. Pearson's suggestion that a liaison arrangement such as that worked out between NATO and EDC might be the solution for NATO liaison with the Pacific Council.

8. Mr. Watt, Secretary to the Department of External Affairs, had a very worthwhile discussion with members of the Department on various problems which were of concern to his Department. I am attaching a memorandum on these talks.

9. I am sending copies of this despatch to London, Canberra and our Permanent Representative to the North Atlantic Council in Paris.

L.D. WILGRESS
for Secretary of State
for External Affairs

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669. DEA/11529-40

Note

Memorandum

SECRET [Ottawa, n.d.]

DISCUSSIONS WITH MR. A.S. WATT, SECRETARY TO THE AUSTRALIAN DEPARTMENT OF EXTERNAL AFFAIRS

On June 25 Mr. A.S. Watt accompanied by Mr. Cutts of the Australian High Commissioner's Office met the following members of the Department in the Under-Secretary's Office: Messrs. Reid, Ritchie, Leger, Norman, Ronning, Watkins and Miss Ireland.

2. The Under-Secretary said that the most serious problem for Canada at the moment was how United States civilian control could be established over the military authorities. Mr. Watt commented that Australia's most important long-range problem was that of adjusting itself to developments in Southeast Asia, and its biggest immediate problem had been the securing of the Tripartite Security Treaty in the Pacific. He mentioned that Australia was not as optimistic as other members of the Commonwealth about the pacific intentions of the Japanese, and had wanted real restrictions on Japanese rearmament put in the peace treaty. Referring to the Under-Secretary's opening remark, Mr. Watt said the Australian Government had wanted to avoid any public protest to the United States which might antagonize Congress before the Tripartite Security Treaty was signed. He mentioned that Australia had privately made repeated protests to the State Department about General MacArthur's acts and speeches, and said that in about two months' time when the Pacific Security Council had been established "our hands will be untied." He expressed apprehension over the recent bombings of Korean power stations on the Yalu River and felt that they would stiffen, rather than soften the Chinese attitude at the armistice meetings.

3. The Under-Secretary mentioned that the reports prepared by Mr. Plimsoll, the Australian representative on UNCURK, on conditions in Korea, were very useful and we were grateful to the Australian authorities for passing them on to us.

4. With regard to the political situation in South Korea, Mr. Watt said his government was disturbed about Syngman Rhee's actions which were of tremendous propaganda value to the Communists. He mentioned, though, that while Mr. Rhee was far from perfect, some of the members of the South Korean Assembly were far from perfect as well. Mr. Watt knew of no other person who could carry on the government if Mr. Rhee were forced out of

office by U.N. pressure; some pressure though might make him "see the light". Some scepticism was expressed by a member of the Department of the contention that any political figure was irreplaceable as Syngman Rhee contended he was. However, if he were forced out, the U.N. might find itself having to run a government; also his ousting might result in chaos in the country, which would certainly embarrass and possibly weaken the U.N.'s military position. It was thought the U.N. might work for a compromise between Rhee and the South Korean Congress.

5. The conversation then returned to the first topic, United States civilian control over the military authorities and the related question of how there could be effective consultation with the United States. In reply to a question as to whether we thought there could be better co-operation with the United States military in Tokyo, Mr. Watt said that we must try every avenue of approach. Decisions which had political implications were being made on military grounds alone and, while it seemed that the Pentagon could not be controlled, we ought to keep on trying. Mr. Watt pointed out that the United Kingdom wanted to keep its Ambassador in Tokyo apart from U.N. and Korean affairs. He said that Australia's main contact with the United States was in Washington and he thought that more could be done in Washington. He mentioned one difficulty though, that often South Korea and the Philippines wanted to be included in consultations with the United States. Mr. Watt did not know if General Bridgeford had been informed beforehand of the Yalu River bombings. These, he said, were extremely embarrassing for Earl Alexander, and had come at a time when public opinion in the United Kingdom had seemed to be more reassured about Korea.

6. A member of the Department said that we had been frustrated for two years over this question of effective consultation with the United States on Korea. He wondered if we had learned any lessons or could draw any conclusions which we could apply in the future should there be a new administration in the United States. It was thought that the State Department had lost so much prestige in the last year or two that it could only regain its power by a change in administration in the United States.

7. Mr. Watt mentioned that not only had Australia felt the lack of effective consultation with the United States over Korea, but it had also felt "out in the cold" with regard to the United Kingdom-United States long-term military planning. It was not possible, he said, to deal with the Middle East or Southeast Asia in isolation. The United Kingdom wanted Australia to commit itself heavily in the Middle East, but the troubled state of Southeast Asia made it difficult for Australia to do this.

8. Mr. Watt was asked if the Tripartite Security Treaty included a commitment by Australia to defend Formosa. Mr. Watt said the only decisive obligation was one of consulting together should the security of any of the signatories be threatened in the Pacific. He said he thought it would depend on the government of the day as to how the Treaty was interpreted. He pointed out one clause in the preamble of the Treaty, inserted by Australia, which recognized that New Zealand and Australia had military obligations "outside

as well as within the Pacific Area." The first meeting, mainly organizational, of the Pacific Security Council would take place later in the summer and committees would be set up on the political and military levels.

9. Mr. Watt then discussed Australia's relations with countries in the South Pacific. With regard to Australia's immigration policy, he said that the former Minister of Immigration, Mr. Caldwell, had a singular capacity for deporting "the wrong people at the wrong time." However, the present Minister was not raising such a hornet's nest in Malaya and the Philippines. He said Australia's relations with the Philippines were improving, though Australia had been annoyed at reports that it did not want the Philippines in the Tripartite Security Treaty because of racial considerations. He said it was not a question of race at all, but if the Philippines were admitted it would be difficult, if not impossible, to resist the inclusion of other countries which would not add strength to the pact. Mr. Watt mentioned that the day before the Philippine-United States pact was approved, the Philippines had asked to be included in the Tripartite Security Treaty. South Korea and Indonesia had also brought up the question of defensive arrangements with Australia. Mr. Watt was asked why the Philippines would want membership in the wider pact when they had a bilateral arrangement with the United States. Mr. Watt said he thought it was a question of prestige, that the Philippines wanted membership in a first-class club and that they rather resented exclusion from a "white man's pact"; also the Philippines wanted to be considered as the leading country in their part of the world.

10. In reply to a question about Dutch New Guinea, Mr. Watt said that New Guinea was vital to Australia's security, and was to Australia what the Low Countries were to the United Kingdom. Should Dutch New Guinea come under Indonesian control, and if the latter went Communist, it would be impossible to stop Communist infiltration into Australian New Guinea. Australia wanted the question to be put "in cold storage" for the present, and recognized that the United States attitude would be the decisive factor in the disposition of the territory. He thought that recently Mr. Acheson had damped down Indonesian claims.

11. Mr. Watt was asked about Dr. Burton's statements on bacteriological warfare in Korea. He said that Mr. Caldwell, deputy leader of the Opposition, had criticized Dr. Burton for going to Peking, and Dr. Evatt, leader of the Opposition, had raised the question of Burton's passport. So far as Mr. Watt knew, his government placed no restrictions on the issue of passports to Australian citizens. The national executive of the Labour Party had disclaimed any association with the Peking conference attended by Dr. Burton, and it was possible that the New South Wales Labour Party would consider expelling Dr. Burton.

SECTION B

ROYAUME-UNI/UNITED KINGDOM
SUBDIVISION I/SUB-SECTION I

VISITE DU PREMIER MINISTRE À OTTAWA, 10-17 JANVIER 1952

VISIT OF PRIME MINISTER TO OTTAWA, JANUARY 10-17, 1952

670. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa,] January 14, 1952

MEETING WITH MEMBERS OF UNITED KINGDOM CABINET — JANUARY 14TH, 1952

Items discussed

Atomic Weapons
Policy Toward Soviet Union
Far East
Middle East
Europe
Atlantic Command
Economic Situation

. . .

1. *The Prime Minister* welcomed Mr. Churchill and his colleagues. The government of Canada felt that any matters that were of concern to the government of the United Kingdom were also of concern to them as the welfare of the people of the two countries was so intimately related. They were particularly pleased, therefore, to have this opportunity of exchanging views. The government of Canada had also been pleased that Mr. Churchill and his colleagues had been able to visit the United States at this time to strengthen the ties between that country and the United Kingdom which were of such fundamental importance for all the countries of the Commonwealth. The members of the Canadian Cabinet would be glad to hear any comments that Mr. Churchill might feel it proper to make relating to his discussions in the United States and concerning problems of common concern.

2. *The Prime Minister of the United Kingdom* referred to his visit to Ottawa ten years before. He was gratified to be able to meet again with the members of the Privy Council of Canada of which he had, since that time, been a member. He would be glad to discuss any matters they might wish to raise.

Atomic Weapons

3. *Mr. Churchill* stressed the importance of the development and improvement of atomic weapons during the period when the relative strength of western countries in conventional weapons would not be adequate to afford

them protection. The Labour government in the United Kingdom had made progress in the development of an atomic bomb and the first one produced in the United Kingdom would be tested in Australia during the summer. If it was successful, production could proceed. Apart from its intrinsic importance a successful British bomb might have a substantial influence on the readiness of the United States to exchange information on atomic development. He was very anxious to see an equality of knowledge with the United States which would lead to a more ready exchange of technical information.

4. *The Prime Minister* suggested that detailed discusson on atomic energy questions might be left to Lord Cherwell and Mr. Howe.

Policy Toward the Soviet Union

5. *Mr. Churchill* said that the policy was to preserve peace or at least a *modus vivendi* with the U.S.S.R. of as long a duration as possible. This could only be secured from strength. Agreements with the U.S.S.R. could not be secured on any other basis. The strength of the West was being developed through the North Atlantic Treaty Organization. It was to be hoped that N.A.T.O. would not be limited solely to preparations for defence but that it might develop into a lasting grouping of powers which would produce a new effectiveness for the United Nations. The present did not appear to be a propitious time to enter into talks with the U.S.S.R. but the United Kingdom would be ready at any time to respond to any genuine advance from the Soviet side.

A deterrent factor in the present dangerous situation was that war would be extremely unpleasant for both sides. Both would suffer what they dreaded most at the outset: Europe would be overrun and the U.S.S.R. would be blasted by atomic weapons in all its vital points. This gave some assurance that peace could be maintained. It seemed certain that at best there would have to be a prolonged period of cold war. That, however, was much better than catastrophe.

6. *The Prime Minister* enquired whether Mr. Churchill thought that the apparent concessions made by Mr. Vishinsky at the United Nations in relation to the banning of atomic weapons and the possibility of inspection gave indication of desire by the Soviet side to see some progress.

7. *Mr. Churchill* felt it would present a difficult problem if the Soviet Union were to offer to accept our conditions for the control of atomic weapons since the West was not sufficiently strong at present to do without the protection that their possession afforded. It was the vast superiority of the United States in atomic weapons and the technical improvements they had achieved, that provided a decisive deterrent at present. It was doubtful, however, that the U.S.S.R. would be prepared to allow *bona fide* and continuous inspection since it would too greatly lift the veil they kept over their affairs.

8. *Mr. Eden* said he thought the Vishinsky concessions did represent a positive move. The Western nations would have to expect more of these moves. They were indicative of a growing anxiety on the part of the Soviet Union.

9. *Mr. Churchill* said that there was, perhaps, some significance in the Soviet emphasis on the development of fighter planes rather than of bombers. It was a defensive emphasis which revealed anxiety and suggested that fear was an important factor in Soviet actions.

The Far East

10. *The Minister of National Defence* said he would be interested to hear the views of the United Kingdom ministers on the position in the Far East, particularly on the prospects in Korea. He felt that the six months of discussion on a cease-fire in Korea had left the United Nations in a much weaker position relatively than when the talks began. The U.S. commanders in Korea thought that the Chinese genuinely desired a cease-fire. On the other hand, the Prime Minister of Japan was of the opinion that the Communists would not accept one. He thought they would attempt to prolong the present discussions. Even if a cease-fire were achieved, it was not apparent how the United Nations were going to extricate themselves from Korea.

11. *Mr. Eden* expressed general agreement with Mr. Claxton's comments. He found it equally difficult to see how the Korean episode was to be resolved. He had felt some surprise in the discussions in Washington at the confidence of the U.S. authorities in their capacity to deal with any possible military developments in Korea next spring.

It was difficult to forecast developments in other parts of South East Asia. There was no reliable evidence that an extension of hostilities in Indo-China was imminent. There had been a number of reports of preparations by the Chinese but all had been contradicted by other sources. Some of the reports might be instigated by the Chinese Nationalists. He had been pleased that the President of the United States in his message on the State of the Union had explicitly warned China against the possible consequences of further aggression. He had tried to follow that up in his own speech in New York. The French felt that they could hold their position in Indo-China if there were no major aggression as in Korea. If there were any such move they would want the United Nations to take action.

12. *The Secretary of State for External Affairs* said that he was disturbed by Mr. Vishinsky's statement in Paris in which he claimed that the United States had moved Chinese Nationalist divisions to Burma and other South-east Asian countries. If any new communist move were being contemplated, this was the sort of propaganda preparation that might be expected.

13. *Mr. Churchill* pointed out that ten of the best U.N. divisions were tied up in Korea, and ten French divisions in Indo-China. The addition of that strength to western Europe could make a very substantial difference. At the present time, there was not one complete division in the United Kingdom. There were, however, some 250,000 troops in military schools and depots in the United Kingdom, and these were now being armed and trained so that they would have some combatant value in an emergency. He meant to secure that the United Kingdom looked more like the back of a hedge-hog than the paunch of a rabbit. If the Chinese attacked Indo-China it would be necessary for the

United Kingdom to reconsider its recognition of the Communist government of China.

14. *Mr. Pearson* asked what divergences there now were between the U.K. and the U.S. on policy in the Far East.

15. *Mr. Eden* said that there were now only two points of divergence viz., the U.K. recognition of the Chinese People's government and the proposed treaty between Japan and the Chinese Nationalists. The first was little more than a formal point and the U.S. government were not now seriously concerned about it. The second was more troublesome. The U.S. administration apparently felt very strongly that, in order to satisfy Congressional opinion, they must announce that as soon as the Japanese Peace Treaty was ratified Japan would conclude a treaty with the Chinese Nationalist government in respect of Formosa. The United Kingdom government agreed that, once she had achieved her independence, Japan would be free to do as she wished in this matter; but they would have preferred that no public announcement of her intentions should be made in advance. They would not, however, continue to press their objections upon the U.S. government.

16. *Mr. Churchill* said that, as regards Korea, he was glad that the U.S. government were now consulting more fully with other governments which were contributing to the U.N. Forces.

17. *Mr. Pearson* said that 17 countries had now accepted the draft of the warning declaration about the consequences of a major breach of the armistice terms in Korea.

18. *Mr. St. Laurent* pointed out that acceptance of the draft declaration would still leave unsettled a number of important questions on which decisions would have to be taken by the countries contributing to the U.N. Forces in Korea.

19. *Mr. Churchill* said that the U.K. government were anxious to avoid raising small points of disagreement with the United States on Far East questions, as they were conscious that the brunt of the military effort in that area was being borne by the United States. In the Middle East, where the United Kingdom were carrying the major part of the load, he hoped that the United States could be persuaded to give some support and assistance. Even token assistance would be valuable. The United Kingdom were carrying out an international responsibility in maintaining free right of passage through the Suez Canal.

Middle East

20. *Mr. Eden* said that in his discussions in Washington he had agreed with the U.S. Secretary of State that the Four Power proposals should be revised and made ready for presentation in a new form possibly including something about the Sudan. It could then be indicated to King Farouk,[53] at the appropriate moment, that these proposals were available for presentation to a government likely to accord them a favourable reception.

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[53] D'Égypte./Of Egypt.

21. *Mr. Churchill* said that insofar as the oil dispute in Persia was concerned, the policy of the U.K. government was to salvage what they could from the wreck. Britain could get her oil from elsewhere, but she needed the foreign exchange which she had earned from the Persian oil. Permanent loss of this source of revenue would mean a serious addition to the balance of payments difficulties of the United Kingdom.

22. *Mr. Eden* said the International Bank had put forward certain proposals which were acceptable to the United Kingdom but had not yet found favour with Dr. Mossadegh.[56] There seemed to be some possibility, however, that Mossadegh might eventually agree to something along the lines of these latest proposals. In any event it seemed clear that they were the sort of proposals that would afford Mossadegh the best opportunity to reach a compromise with the United Kingdom without losing face provided, of course, he were disposed to do so. Throughout the protracted discussions and negotiations on this problem Mossadegh had shown himself to be an extremely shrewd bargainer. The United Kingdom government had to ensure that any treatment given Persia should not be generous to the point where it would prejudice the future of oil concessions held elsewhere by the United Kingdom and the United States. If a satisfactory price could be negotiated, the United Kingdom might be ready to forego any claim it might have for compensation. Dr. Mossadegh might, however, prefer to stress the compensation feature since it would then be easier for him to reduce or eliminate British control and influence.

Europe

23. *Mr. Churchill* said that General Eisenhower had made it abundantly clear that he did not expect U.K. military units to join the European army. He was quite content that the United Kingdom should make appropriate military contributions to the NATO forces of which the European army was part. Mr. Churchill thought it not only unnecessary but unworkable that U.K. forces should be merged in the European army. He did not see how any Prime Minister of the United Kingdom could contemplate sending six British divisions to the European army in the knowledge that none of these divisions would ever stand shoulder to shoulder in the line. There were the problems of language, customs, armaments and munitions which were very real difficulties. He fully appreciated that the doctrine of European federation appealed strongly to the sense of logic of the French. He himself felt that the United Kingdom should offer every encouragement to the concept of European federation without, however, losing sight of the fact that it was in the interests not only of the United Kingdom, but of international peace that the United Kingdom should maintain her strong Commonwealth ties rather than become an integral part of a European federation.

24. *Mr. Eden* pointed out that when the present U.K. government took office, the plans for a European army had already been under discussion for nine months. If the new U.K. government had joined in the discussions at that stage,

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[56] Mohammad Mossadegh, premier ministre d'Iran.
Mohammad Mossadegh, Prime Minister of Iran.

every detail of the proposed arrangements would have been thrown open for renegotiation and this would have caused further substantial delays.

25. *Mr. Churchill* thought it unfortunate that the Labour government had decided not to participate in the conferences on the Schuman Plan and the European army.

As a general comment, he felt that the principle of the Grand Alliance had much to commend it, primarily because, as became evident during the second World War, it enabled several sovereign states to work in the closest harmony without any suggestion that one country might be the vassal of another.

Atlantic Command

26. *Mr. Churchill* said that, in his opinion, British shipping would face greater dangers in a future war than in the last. Enemy submarines would be much more numerous, faster, and armed with even more deadly weapons than before. Anti-submarine vessels would have to be much faster craft, which could not be improvised after war had broken out. Even greater than the submarine danger was probably the mine threat. There had been developed new types of suction mines which were impervious to magnetic minesweeping. These could be dropped rapidly in large numbers and it was difficult to see at this time what effective measures could be taken against them.

The United Kingdom's dangers were much greater than those of the United States or Canada. If the United Kingdom failed to keep its ports open, it could not survive. For North America the loss of the battle in the Atlantic would mean the loss of the campaign in Europe. For the United Kingdom it would mean extinction. It was for this reason that he had made every effort to impress on the Americans that it was a matter of practical necessity that the United Kingdom should retain complete naval control in the eastern Atlantic at the reception end. Executive control of the battle and the convoys should be exercised in the eastern half of the Atlantic by the First Sea Lord and in the western half by the United States Chief of Naval Operations. On almost every occasion they would work in complete harmony. If any differences should arise between them, these could be resolved by the Standing Group who could be advised on policy by an Admiral of the Atlantic. He was, however, most strongly opposed to the creation of a Supreme Allied Commander, Atlantic. He was gratified to hear that some members of the Canadian government shared his views on this question.

27. *Mr. Churchill* said that Canada was to be congratulated on the growth of its Navy. It was building up one of the leading navies in the free world. He hoped that Canada, with its expanding resources, would continue to cherish the naval tradition, as it had been cherished for so long in the United Kingdom. A strong Canadian Navy would be of great value, not only for purposes of local defence, but also as a link between North America and Europe.

28. *Mr. Churchill* thought that, while the Western countries were becoming stronger, they were not yet necessarily safer. The greatest danger would come in the period just before their strength became really effective. If the Russians made war, they were more likely to do so as the result of miscalculation than

by reason of an "incident". In his view the odds were against a war this year, although no one could make an accurate forecast.

The Russians had greatly improved their position by bringing large portions of Europe and all of China under their control without loss to themselves. They might therefore think it best to continue as at present. Their leaders appeared to fear war and atomic bombing since these would undermine their control over their people. They seemed more interested in maintaining their power internally than anything else. If, at a later date, the West desired to intensify the "cold war" it might possibly do so by taking steps to make more information available to the Russian people. The West would be in increased danger if there were the slightest sign that the NATO countries were not pursuing their defence plans with determination.

Economic situation

29. *Lord Cherwell*[55] said the Americans had been anxious to obtain additional supplies of aluminum. Canada's willingness that the United Kingdom should divert to the United States some of their Canadian supplies of aluminum had made it possible to persuade the United States to allocate to the United Kingdom considerable quantities of steel which would be of great value both for rearmament and for exports. It was vitally important to maintain United Kingdom exports. For the United Kindom, gold and dollar reserves had fallen seriously in 1951 and it was going to be very difficult to stop them from continuing to decline in the next six months.

30. *Mr. Churchill* said that his government had been faced with a grave financial situation on assuming office. The sterling area was running a large deficit with the dollar area, with Europe and with the rest of the world. The rearmament programme of £4.7 billion would now cost £5.2 billion owing to increased prices. His government was, however, not going to be afraid to take the unpopular steps that were necessary if national solvency were to be regained. He felt that, if the need for further stringencies were put squarely to the people of Great Britain, they would accept the measures required by the situation. He did not propose to ask for outside help for the purpose of enabling the people of the United Kingdom to avoid discomfort. Rearmament was, however, a different matter; for it was designed to serve the common cause. He was ready to seek external aid to help forward the United Kingdom defence programme. The assistance which the Americans were providing would be a great help to the rearmament effort and the export drive.

31. *Lord Cherwell* said that cuts could only be made in domestic consumption, the defence programme or in exports. Consumption had already been cut to the bone. Some of the rearmament programme would have to be postponed.

32. *Mr. Churchill* said that he now expected the United Kingdom rearmament programme to take four rather than three years to complete. In the

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[55] «Paymaster general» du Royaume-Uni, conseiller du premier ministre Churchill pour les questions d'énergie atomique.
Paymaster General of United Kingdom, Adviser to Prime Minister Churchill on Atomic Energy Affairs.

circumstances, his government was concentrating its efforts on such essential elements of the programme as new types of aircraft and tanks.

33. *Mr. St. Laurent* enquired whether there was any likelihood of the United Kingdom being able to reduce its unrequited exports.

34. *Mr. Churchill* said that it was hoped to make some progress in this direction but that his government's hands were tied to some extent by arrangements made since the close of the war.

During the war, he had been of the opinion that the United Kingdom should hold itself free to put in a counter-claim against the sterling balances which had been accumulated by countries which had been preserved by British troops from being overrun by the enemy.

35. *Mr. Howe* said that the imbalance in Canadian-United Kingdom trade would have been less if Canada could have placed larger orders in the United Kingdom for heavy equipment which had been going to countries in the sterling area.

36. *Mr. St. Laurent* said that he and his colleagues had greatly appreciated Mr. Churchill's review of the world situation. The Canadian government realized that the greatest possible efforts must be made by the Western countries in order to achieve the results that were essential to all.

37. *Mr. Churchill* said that he was most grateful to Mr. St. Laurent and the other members of the Canadian government for their kindness. The meeting of the four members of his Cabinet with the Canadian Cabinet had been a memorable event.

38. *It was agreed* that a brief communique should be issued to the press at the conclusion of the meeting. This would indicate that the discusson had ranged over the world situation with particular emphasis on the North Atlantic alliance, and that the exchange of views had revealed a complete understanding between the representatives of the two countries.

N.A. ROBERTSON
Secretary to the Cabinet

SUBDIVISION II/SUB-SECTION II

QUESTIONS ÉCONOMIQUES/ECONOMIC ISSUES

671. DEA/8508-40

Extrait du procès-verbal de la réunion des chefs de direction

Extract from Minutes of Meeting of Heads of Division

RESTRICTED Ottawa, January 2, 1952

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AMERICA AND FAR EAST

Canada-U.K. Continuing Committee

12. *Miss Meagher* A meeting of the Canada-U.K. Continuing Committee on Trade and Economic Affairs will take place in London immediately after the Commonwealth Finance Ministers Meeting, in January. While there are no active items on the agenda, the meeting will provide an opportunity for a general review of Canada's trade position in the sterling area, in the light of the considerable deterioration in the U.K. balance of payments position and of the change of government in the U.K., both of which have occurred since the last meeting of the Continuing Committee in May.

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672. DEA/10364-40

Le haut-commissaire au Royaume-Uni
au secrétaire d'État aux Affaires extérieures

High Commissioner in United Kingdom
to Secretary of State for External Affairs

TELEGRAM 248[56] London, January 25, 1952

RESTRICTED

From Canadian delegation to the Continuing Committee.

1. The Continuing Committee concluded discussions yesterday. As usual we exchanged our respective estimates of the balance of payments between the two countries for the coming year. There was considerable discrepancy between our estimates of the current balance, the British estimates of purchases from Canada being higher than ours by $110 million. On the other hand, the Canadian estimate of British sales to Canada was approximately $50 million higher than the British estimate. The United Kingdom estimates did not take into account any Canadian expenditures on the purchase of military equipment or expenditures of our forces in the United Kingdom.

2. With respect to the estimates of British purchases in Canada, the United Kingdom figures envisage larger expenditures on metals and forest products apparently due to a different view as to both prices and quantity. It has been arranged that further examination of these estimates should be made by both sides in Ottawa and London with a view to achieving closer reconciliation. The British emphasized in respect of both metals and forest products that they intend to honour all existing contracts.

3. They warned us that in view of the existing dollar crisis some of the marginal products may be in danger. The paper distributed by the representative of the Ministry of Food indicated that apples and salmon are vulnerable

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[56] Le télégramme porte la mention manuscrite:
Noted on telegram:
Repeated to Washington as EX-211 of January 25/52.

and that even cheese may be in doubt. They said that their arrangements regarding these purchases in 1952 had not yet been made, that they would be working on this in the near future and would let us know. They indicated that if they had to make cuts in food imports it would be difficult to avoid some cut in tobacco. Decisions on the marginal food items will not be taken immediately and they promised that they would get in touch with us through the appropriate channels when they were under consideration.

4. British estimates of their sales to Canada were substantially lower than ours in respect of textiles. This was based on a rather pessimistic view of the outlook for the consumer market in textile fabrics and actual export experience for the last quarter of 1951. In respect of sales of motor cars in Canada, their estimate is somewhat higher than ours.

5. The meetings provided a useful forum for the exchange of views on the outlook for the coming year and it was proposed that the next meetings should take place in Ottawa sometime next September. At that time they and we will be in a better position to consider the situation respecting the marginal products.

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673. DEA/10364-40

Le conseiller commercial du haut-commissariat au Royaume-Uni
au directeur des relations commerciales internationales
du ministère du Commerce

Commercial Counsellor, High Commission in United Kingdom
to Director, International Trade Relations,
Department of Trade and Commerce

London, January 25, 1952

Dear Claude [Isbister],

Herewith the papers covering the just completed meetings of the Continuing Committee.† The telegram which we sent you yesterday, plus these papers, give a fairly complete picture and there is little I can add.

As meetings relating to the Finance Ministers' Conference had been going on for roughly two weeks before the Continuing Committee meetings started, a great deal of the ground normally covered at the Continuing Committee had already been traversed. It was, therefore, possible to cover the remaining ground in two meetings which were held on the afternoons of January 22nd and 23rd.

There is no doubt about the seriousness of the sterling area's balance of payments difficulties. The papers going forward to Adrian Gilbert on the Finance Ministers' meetings reveal this all too plainly.

Naturally the U.K. estimates of the Anglo-Canadian balance of payments position were more pessimistic than ours. This is the sort of bargaining approach which has characterized the figures exchanged at every Continuing Committee I know anything about. Perfect reconciliation is, of course, impossible, not only because of the time lag involved, but also because of the varying classifications. As you know our estimates of British exports to Canada in 1952 were based on our judgment on the outlook compared with 1951. The 1951 figures in turn were obtained by projecting performance for the first ten months forward into a twelve month period. In actual fact British exports to Canada in November and December of 1951 fell very sharply in comparison with the preceding months so that our projection was bound to be somewhat higher than the actual. The British on the other hand were rather inclined to estimate 1952 performance on the basis of their November and December experience which in our view was abnormal in the other direction. When we got down to a closer examination of the figures, we found that their estimates and ours were not so far apart after all. Their heading for vehicles, for instance, which was much larger than ours was found to contain a great many other items besides motor cars. It included bicycles, motor cycles, road rollers and even vessels. By a series of adjustments, the trade figures were ultimately brought into fairly close harmony, with the single exception of the textile items. Here our estimate was that they would sell £43.4 million to Canada in 1952 compared with their estimte of £26 million. The performance under this heading is anybody's guess and quite frankly I would place my money on their figure than on ours.

As far as U.K. imports from Canada are concerned, the major difference was in the metals and forest products items. A difference in the forest products heading is understandable because timber will enter the United Kingdom in 1952 under a limited general licence and it is anybody's guess where the business will be placed. On metals, however, the bulk of the purchasing is under contracts, details of which are currently known so that any pronounced difference is hard to understand. We estimated that the U.K. would spend $100 million on Canadian metals and minerals in 1952. The corresponding British estimate is approximately $261 million, a difference of $141 million. Part of the difference is accounted for by the fact that the British figure includes imports of Canadian steel, valued at approximately $12,300,000 in 1951 and ferro-alloys valued at approximately $10,000,000 in 1951, a total of say $22,000,000 if purchases in 1952 are at the same level as in 1951. Even allowing for this, however, the discrepancy is inexplicably large and the statisticians on both sides will try and reconcile their figures. Fullerton will doubtless go into this on his return and I would be interested in his findings.

The only other important discrepancy arose from the inclusion in our balance of payments estimate of roughly $60,000,000 which we plan on spending in the U.K. on military account — (Centurion tanks; troop maintenance, etc.). The British had not allowed anything under this heading.

The seriousness of the balance of payments position overshadowed all discussions. There can be no doubt about the determination of the present administration to take whatever steps are necessary to put the sterling area back on its feet. Recognizing this determination, our opposite numbers at the Conference table were not in a position to guarantee they would not cut back on imports of non essential Canadian food items such as canned salmon and apples. In the words of Frank Lee,[57] both these items are "vulnerable". The outlook for cheese is only slightly less disturbing. While I doubt if there will be a cut back in British imports of Canadian tobacco it was pointed out that if imports of food are to be cut down, it becomes politically awkward to defend dollar expenditures for tobacco so that these may also have to be reduced. If they are, we can always hope the axe will fall more heavily south of the line than north of it. In an effort to set an example to the rest of the Commonwealth the United Kingdom will import as little as possible in 1952 and is prepared to risk fairly serious inventory reductions in the process. Something more definite about their intentions in the above mentioned categories should be available later in the year, when import policies will have been formulated in the light of the recent Finance Ministers' Conference and also when we will be able to tell them, perhaps more accurately than we can now, how important it is to us to dispose of certain marginal items such as apples and salmon.

Frank Lee referred to increased difficulties from Canadian anti-dumping regulations. I was surprised to hear this because I cannot remember a single instance of British difficulties under this heading being brought to my attention in 1951. It is true that British exporters would be more likely to use their own Government for protests about this legislation, but nevertheless, we have always been consulted in the past and the fact that we have had a falling off in these consultations suggests that the position is less serious rather than more serious as Lee indicated that it was. I am asking the Board of Trade for more particulars and if I get anything worthwhile will write you on it.

It was also suggested that the expressed intentions of the Canadian Government to facilitate imports from the United Kingdom as far as Government purchasing was concerned, had not seemed to be particularly effective. Here again I am asking for further details.

There was an interesting discussion on United Kingdom investment in Canada including the operation of the interest free loan arrangements. I intend to write you more fully on this in a week or two.

Fred, as the result of what he heard at the Finance Ministers' meetings and from Dana Wilgress, realized before the meetings started that there would be little hope of getting U.K. enthusiasm for a token import scheme with other parts of the sterling area. He, nevertheless, raised the question in a tactful way and while the British pointed out that they could not dictate the policy of the self-governing sections of the sterling area Commonwealth, they did not feel that any of the Governments involved would be prepared to go very far in developing a token import scheme with dollar countries until they knew more about the progress of the whole of the sterling area under the corrective measures planned. I think this view is right. It is going to be a difficult task for Australia in particular to keep *within the dollar budget that has been* suggested. Until, therefore, they have succeeded in doing this they would be unlikely to consider favourably additional dollar commitments, especially for non-essential items. It was felt that the time was not opportune to develop the idea, although it was unquestionably a good time to bring it up — if only to remind the U.K. that we are still setting our sights on getting back into the sterling area markets.

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[57] Sir Frank Lee, sous-ministre du Commerce du Royaume-Uni.
Sir Frank Lee, Permanent Secretary, Board of Trade of United Kingdom.

While it is impossible to put your finger on any specific item and say, "but for the Continuing Committee meetings this, or that, would not have happened" it was a most successful session. I saw Frank Lee and McGregor[58] last night and they both claimed it to have been the "best ever". In my view it was a very worthwhile venture, and I am sure Fred will agree.[59]

Yours sincerely,

R.P. BOWER

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674. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa,] February 13, 1952

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CHEESE AND SALMON: DISCONTINUANCE OF U.K. PURCHASES

5. *The Minister of Resources and Development as Acting Minister of Agriculture* reported that the United Kingdom had now advised that they did not propose to purchase any cheese in Canada during the coming year. The Department of Agriculture were of the view, which officials in Trade and Commerce shared, that the U.K. government might have derived the impression at the meeting of the U.K.-Canada Continuing Committee on Trade that the Canadian preference was to have any available dollars spent on salmon rather than on cheese. They hoped that this impression might be corrected and purchases of cheese arranged.

6. *The Minister of Fisheries* said whatever might be the truth of that impression it did not appear that the United Kingdom intended to purchase any salmon either during the coming year. He had received advice to that effect from U.K. representatives in Canada.

7. *The Cabinet* noted the reports of the Acting Minister of Agriculture and the Minister of Fisheries concerning notice of the U.K. intention to purchase no cheese or salmon in Canada during the coming year and agreed that the matter be discussed further at a subsequent meeting.

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[58] Kenneth McGregor, directeur, ministère du Commerce du Royaume-Uni.
Kenneth McGregor, Under-Secretary, Board of Trade of United Kingdom.

[59] Notre copie du document porte la mention manuscrite suivante :
The following was written on this copy of the document;
Assuming T[rade] & C[ommerce] has referred to Finance. J.H. W[arren] Isbister will confirm.

675. PCO

Extrait des conclusions du Cabinet
Extract from Cabinet Conclusions

TOP SECRET [Ottawa,] February 19, 1952

. . .

REDUCTION IN U.K. IMPORT PROGRAMME: SPECIAL ARRANGEMENT COVERING EXPORTS OF NEWFOUNDLAND FISH

4. *The Prime Minister*, referring to discussion at the meeting of February 13th, 1952, read the text of a telegram which the Canadian members of the U.K.-Canada Continuing Committee on Trade proposed to send to the High Commissioner's office in London about the United Kingdom import programme. The message would point out that at the last meeting of the Committee, in January of this year, no definite decisions on import cuts had been taken by the United Kingdom and it had been agreed there would be further consultation before firm decisions were reached. In the circumstances, it was assumed that advice about the discontinuance of purchases of cheese and limitation of purchases of tobacco to 8.5 million pounds were not yet final. The telegram should submit that the proposed division of U.K. tobacco purchases between the United States and Canada did not fully recognize the greater importance of the U.K. export market to Canadian tobacco growers than to U.S. tobacco growers. It would also indicate that the total discontinuance of cheese imports would not be consistent with the cuts being made on imports of cheese from other countries outside the sterling area. A cut of 50 percent might be in line. The hope would be expressed that there would be discussions concerning apples and canned salmon before final decisions were taken.

(Letter, Deputy Minister of Trade and Commerce, to the Secretary to the Cabinet and enclosure — Feb. 19, 1952)†

5. *The Minister of Fisheries* said he had been advised that the United Kingdom would not continue for a further year the arrangement under which convertible sterling had been provided for Newfoundland salt cod sold in European Markets for local currencies. The arrangement had in the first instance been for a one year period and was connected with the financial provisions for the union of Newfoundland with Canada. It might be particularly embarrassing if announcement of the U.K. decision were made before deliveries had been completed on all orders for the 1951 catch. Certain contracts might be cancelled in the expectation that prices would drop. On the other hand, if the U.K. decision was firm, it would be desirable to give some guidance to Newfoundland fishermen at as early a date as possible in order that a shift in the 1952 catch could be made to fillets. Since the timing of the announcement was important, it would be desirable if a further paragraph could be added to the message pointing this out and asking that any public statement be withheld for the time being.

6. *The Cabinet*, after discussion, agreed that a telegram be sent as proposed to the Office of the High Commissioner in the United Kingdom concerning

proposed reductions in the U.K. programme of imports from Canada, the telegram to include a paragraph which would point out the importance of avoiding at present any public announcement of the decision to discontinue the special arrangement for sales of Newfoundland salt cod to soft currency countries.

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676. DEA/8925-E-40

Le secrétaire d'État aux Affaires extérieures
au haut-commissaire au Royaume-Uni

Secretary of State for External Affairs
to High Commissioner in United Kingdom

TELEGRAM 430 Ottawa, February 19, 1952

CONFIDENTIAL

Following for Bower from Bull, Begins:

1. Further to your telegrams 449† and 463† will you please convey following views to the Board of Trade, Ministries of Food and Supply on behalf of Taggart,[60] Deutsch and Bull. This message has Cabinet approval.

2. It will be recalled that at the recent meeting of the Continuing Committee there was informal discussion of possible cuts in U.K. imports of Canadian tobacco, cheese, canned salmon and apples. The U.K. members, however, were not in a position, at that time, to indicate U.K. plans and it was agreed that there would be further consultation before definite decisions were reached and announced.

3. Since the meetings in London there has been no further consultation of the kind which we understood would take place before decisions were reached. Meanwhile, the Deputy High Commissioner has informed us that the U.K. had decided to cut purchases of Canadian tobacco to 8,500,000 pounds and Sir Andrew Jones[61] has notified Taggart by letter that the U.K. has decided not to buy any Canadian cheese. Sir Wilfred Anson of the Imperial Tobacco Company called Norman MacRae, of the Tobacco Division of the Department of Agriculture, to Washington, where MacRae was informed that the U.K. could only afford to purchase 70 million pounds of tobacco from North America in 1952 and that Canada's share would be 8½ million pounds. Canadian views on this division of the U.K. purchases were not invited. Had we been given an opportunity to discuss this allocation we would have pressed for a larger Canadian share.

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[60] J.G. Taggart, sous-ministre de l'Agriculture.
J.G. Taggart, Deputy Minister of Agriculture.

[61] Sir Andrew Jones, chef, mission de l'alimentation du Royaume-Uni.
Sir Andrew Jones, Head, Food Mission of United Kingdom.

4. We regret that consultation has not yet taken place but assume, on the basis of our discussions in London, that these decisions are not yet final. We, therefore, submit the following for consideration.

5. In our view, and as indicated above, the division of tobacco purchases between the United States and Canada does not fully recognize the much greater importance to Canadian tobacco growers than to U.S. tobacco growers of the U.K. export market. We, therefore, suggest that the Canadian share of the overall allocation could be substantially increased without serious effects upon the U.S.

6. As to cheese, it seems to us that a decision to cut off Canadian imports entirely would not be consistent with the cuts that are being made on imports of cheese from other countries outside the sterling area. We do not wish, in any way, to make suggestions which would add to the difficulties of the U.K. and the sterling area, and would accept the necessity for some cut in imports of Canadian cheese. A cut of 50 percent, however, would seem to us to be more in line with what is being done, for example, with respect to imports of cheese from European countries.

7. As yet we have no word about apples and canned salmon but express the hope that before final decisions are reached there will be an opportunity for an exchange of views.

8. The chief purpose of the Continuing Committee was to provide a forum in which problems of this kind could be discussed and we understood that our January meeting was called for the specific purpose of discussing necessary adjustments in the U.K. import programme from Canada.

9. While this subject was not discussed during Continuing Committee meetings, we would urge that no announcement be made by U.K. with respect to salt fish sales to Europe for sterling and question of conversion into dollars, until cleared with Canada, so as to minimize prejudicial effects upon sales, present and potential. Ends.

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677. DEA/8925-E-40

Le haut-commissaire au Royaume-Uni
au secrétaire d'État aux Affaires extérieures

High Commissioner in United Kingdom
to Secretary of State for External Affairs

TELEGRAM 519 London, February 20, 1952

RESTRICTED

Following for Bull, Trade and Commerce, Ottawa, from Bower, Begins:

1. Ritchie, Marshall and I had meeting at Board of Trade today with Lee, Hancock[62] and Harris[63] and left copy of your telegram with following corrected Paragraph 6 to take account of the fact that Continental cheese is still under open general licence.

"As to cheese, it seems to us that a decision to cut off Canadian imports entirely would not be consistent with continued imports of cheese from other countries outside the sterling area. We do not wish, in any way, to make suggestions which would add to the difficulties of the United Kingdom and the sterling area, and would accept the necessity for some cut in imports of Canadian cheese. A cut of 50 percent, however, would seem to us to be less out of line with what is being done, for example, with respect to imports of cheese from European countries."

2. I also read Paragraph 3 of Canada House telegram No. 248 of January 24 as an indication of our impression at the time of what had been agreed upon about prior consultation.

3. They expressed regret at what they described as a genuine misunderstanding. They considered they had given fairly definite warning at the Continuing Committee regarding the probable fate of Canadian cheese and tobacco and that their only remaining obligation was to advise us of their final decisions as soon as possible.

4. They admitted to some surprise at the time that the reactions of the Canadians were not stronger. We disputed their interpretation of what had happened at the meetings and stated that our reactions would clearly have been more vigorous if the United Kingdom statement had been as definite as they now claim and if we had not understood that there would be further consultation before final decisions were taken.

5. They have agreed to consult with the other departments concerned and to give us their considered comments on Paragraphs 3 to 6 of your message. Lee observed that even had there been prior consultation the outcome could hardly have been different.

6. Regarding your Paragraph 7 Hancock stated the United Kingdom would not be buying Canadian apples in 1952 though there was a remote chance that they might take some salmon. This paragraph will be further dealt with in their reply.

7. Lee undertook to confer with the Treasury re your Paragraph 9 and to let us have their comments. Ends.

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[62] Sir Henry Hancock, sous-ministre de l'Alimentation du Royaume-Uni.
Sir Henry Hancock, Permanent Secretary, Ministry of Food of United Kingdom.

[63] Philip Harris, directeur général, ministère du Commerce du Royaume-Uni.
Philip Harris, Assistant Secretary, Board of Trade of United Kingdom.

678. DEA/8925-E-40

Le haut-commissaire au Royaume-Uni
au secrétaire d'État aux Affaires extérieures

High Commissioner in United Kingdom
to Secretary of State for External Affairs

TELEGRAM 601 London, February 29, 1952

RESTRICTED

Following for Bull, Trade and Commerce from Bower. Begins:

1. The following message was received from Frank Lee tonight. Quote:

Reply to Canadian telegram No. 430. Aide memoire. United Kingdom purchases from Canada.

1. The United Kingdom members of the Continuing Committee very much regret that a misunderstanding should have arisen about the nature of the discussions at the recently concluded session. They believe, however, that there has been no departure on the part of the United Kingdom from the procedure developed at that and earlier sessions of the committee for handling economic questions of common concern.

2. They certainly share their Canadian colleague's view (paragraph 8 of the telegram) that the Continuing Committee is a forum for the general review, amongst other things, of prospective United Kingdom imports from Canada and particularly affords an opportunity for the discussion of any proposals to reduce them. But precisely because they regard the committee in this light they cannot agree that the discussion of possible cuts in certain United Kingdom imports at the recent meeting should be regarded as "informal" (as paragraph 2 suggests). During those discussions they were at pains to emphasize that the gravity of the sterling area's external financial position as disclosed at the Conference of Commonwealth Finance Ministers[64] was such that, in addition to the positive measures for long-term expansion discussed at that conference, reductions in certain imports from Canada to meet the present emergency were inescapable. They clearly indicated that these reductions might well include the cessation of imports of cheese and the reduction of imports of tobacco. The Canadian representatives did not at the time express any marked objection; and the United Kingdom representatives inferred that the Canadian Government expected to be told no more thereafter than the time and nature of the final decision. This view is borne out by their clear recollection of what took place and by the agreed minutes of the meetings.

3. The Canadian representatives say it was agreed (paragraph 2) that there would be further consultation before definite decisions were reached and announced. This, however, is not borne out by the record of the discussions. But the United Kingdom side do not wish to lay undue stress on that point. The

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[64] Voir les documents 565-569./See Documents 565-569.

United Kingdom Government are willing, as they have always been, to give the Canadian Government as full and ample notice as the circumstances permit of measures affecting United Kingdom imports from Canada so as to enable the latter government to express any views they may wish (although the Canadian Government will realise that the balance of payments position has become so serious that cuts in imports cannot be avoided). The United Kingdom Government will accordingly be communicating with the Canadian Government in due course about the question of the extent to which purchases of apples and canned salmon may be possible or not in the forthcoming season.

4. On the specific items emphasized in the Canadian Government's telegram, the position is as follows:

(a) Tobacco. In the present critical circumstances imports of tobacco into the United Kingdom in 1952 are being restricted to the bare minimum which, together with the stockpile, will enable production of cigarettes etc. to be maintained. Purchases from the 1951 Canadian crop were exceptionally high as a result of the relatively large stockpiling purchases which were made. These purchases were much larger in proportion to purchase for current use than were those from the USA and accordingly United Kingdom stocks of Canadian tobacco will be proportionately higher than stocks of United States tobacco. Nevertheless, the ratio of the proposed imports from the 1952 Canadian and the USA crops (8 and one half million pounds and 61 and one half million pounds respectively) is approximately the same as the ratio of purchases from the 1952 and 1950 crops, and appreciably higher than the corresponding ratio for earlier years. Accordingly, taking into account the stock position described above and the probable rates of usage of United States and Canadian leaf, the United Kingdom Government do not feel it possible to increase the Canadian share of the total imports of tobacco from North America.

(b) Cheese. The United Kingdom Government have carefully considered the Canadian Government's request, but they regret that they are unable to modify their decision not to buy any Canadian cheese this year. This conclusion has been reached only after very full examination of the possible alternative import cuts. The Canadian Government will be aware that the United Kingdom ceased some time ago to purchase cheese from the USA. The continued imports of cheese from non-sterling sources to which the Canadian representatives referred, are assumed to be those from European countries in the OEEC. United Kingdom imports from those countries, however, have already borne the brunt of the government's emergency measures. The cuts already made have amounted to about 150 million pounds on food and additional cuts on items like cheese (which appears on the common list of liberalised products) would be a further serious blow to the European economy.

(c) Salt fish. The United Kingdom representatives have taken note of the Canadian request. They will be getting into touch with the Canadian Government in due course about this matter. Unquote.

2. I have been unable to discuss with Lee or Hancock the additional points on cheese which you mentioned today but will do so tomorrow. Please advise as

quickly as possible what you propose to do in view of Lee's message, and what line you wish us to take.

3. At lunch today Rowan claimed the same understanding as Lee on what was agreed at the Continuing Committee. He suggested it would be next to impossible to get cheese or tobacco question reopened, but I feel representations at Ministerial level might be effective. Ends.

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679. DEA/10364-40

Extrait du procès-verbal de la réunion du Comité interministériel sur la politique du commerce extérieur

Extract from Minutes of Meeting of Interdepartmental Committee on External Trade Policy

Ottawa, March 10, 1952

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II. *U.K. Purchasing Programme for 1952*

13. *The Deputy Minister of Trade and Commerce* said that a telegram had been received from London giving the text of a message from Sir Frank Lee about the understanding of the Canadian representatives on the U.K.-Canada Continuing Committee that no final decisions had been agreed on during the discussions with relation to reduction of the U.K. purchasing programme. Lee stated the U.K. members' understanding that they had clearly indicated that reductions might include the cessation of imports of cheese and the reduction of imports of tobacco, to which they had understood the Canadian representatives did not at the time express any marked objection. The message explained the reasoning behind the reduction in tobacco imports and stated that they could not modify the decision not to buy any Canadian cheese during the coming year.

(Telegram from the Office of the High Commissioner in London, No. 601, February 29, 1952)

The understanding described by Lee was entirely at variance with the impression of all the Canadian representatives at the last Continuing Committee meeting. It had been their clear impression that the U.K. representatives were indicating action that might have to be taken and probably would be necessary but not any firm decisions. It was on that basis that the matter had been allowed to pass without more vigorous argument. The Canadian group had understood that there would be an opportunity for further representations when decisions were actually made. Whatever the position was, the immediate question was whether anything further should be done about the U.K. decisions. It seemed probable that no modification could be secured at the official level and that representations, if any, would have to be at the ministerial level.

14. *The Deputy Minister of Finance* said that, while a great deal of exception could be taken to the U.K. handling of the matter, he doubted whether it would

be desirable to try to press any further. The U.K.'s financial position had worsened steadily and the action on Canadian purchases was only a part of an exceedingly stringent programme. It seemed highly improbable that there was anything to be gained by further representations.

15. *The Chairman* expressed agreement. He thought, however, that the United Kingdom might be asked to ensure that any announcement relating to the Canadian programme did not refer to the U.K.-Canada Continuing Committee and did not say that there had been consultation with Canada in advance about the cuts. The next question was as to the position that would develop in Canada with sales of cheese to the United Kingdom cut off and with the Andersen amendment in effect in the United States. In the circumstances, it was difficult to see how the government could consider a new price support programme for cheese such as the Canadian Federation of Agriculture was urging. The desirable situation appeared to be to have the price of cheese reach a point at which there would be an incentive to divert milk into other products — dried milk, fluid milk or butter. Certainly there should be no incentive price for cheese.

16. *The Deputy Minister of Trade and Commerce* said that a recent report from the Belgian Congo indicated that a substantial Canadian market there for dried milk was being lost to the Netherlands. Similarly a market for dried cod was being lost to Portugal and Norway. The reasons in each case were Canadian prices that would not allow competition. The export aspect had to be kept in mind in any price support programmes.

17. *The Deputy Governor of the Bank of Canada* pointed out that with the recent sharp break in the price of lard from 12¢ a pound to 6¢ a pound, it was quite possible that there would be a decline in vegetable oil prices and that the price of margarine would come down. That would bring an additional problem.

18. *Mr. Paterson*[65] said a further factor was that with the outbreak of foot and mouth disease the U.S. embargo prevented the movement of dairy cattle to the United States.[66] This was increasing the cow population in Eastern Ontario particularly, which was the principal cheese producing area. During the last year about 7 million pounds of New Zealand cheese had been imported into Canada to sell at about 32½¢ in Montreal. Any floor in that general region would enable N.Z. imports to come in under it.

19. *Mr. Pearsall*[67] said that, while milk could be diverted in many areas from one product to another, that was not the case in all localities and particuarly it was not so in some parts of Eastern Ontario. There, during certain months of the year, particularly May and June, milk had to be used for cheese or not at all. 75% of all the cheese produced in Canada was manufactured between Belleville and Montreal. Concentrating plants were being established that

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[65] G.R. Paterson, directeur de la Direction des produits agricoles, ministère du Commerce.
G.R. Paterson, Director, Agricultural Commodities Branch, Department of Trade and Commerce.

[66] Voir les documents 842-847./See Documents 842-847.

[67] L.W. Pearsall, directeur (administration) du Service des marchés, ministère de l'Agriculture.
L.W. Pearsall, Director (Administrative), Marketing Service, Department of Agriculture.

would allow a greater flexibility but it would probably be another four or five years before there would be a complete capacity to shift.

20. *The Deputy Minister of Agriculture* said that one thing that would probably be necessary would be to discontinue any purchases of butter abroad. However, he thought it would be extremely difficult for the government to avoid a support policy for cheese. Under such a policy there would be a substantial chance that the government might end up holding some 20 million to 25 million pounds of cheese in the autumn.

21. *The Committee*, after further discussion, agreed:

(a) that no further representations be made to the U.K. government concerning the decisions with regard to the U.K. import programme for the coming year other than to ensure that any announcement concerning it should avoid reference to the U.K.-Canada Continuing Committee or any suggestion that there had been consultation in advance with Canada of the reductions represented by the programme; and,

(b) that the Department of Agriculture prepare for consideration by the Committee before presentation to the Cabinet a memorandum on cheese and the considerations that would affect policy in the coming year.

SUBDIVISION III/SUB-SECTION III

ACHAT D'UN PORTE-AVIONS/PURCHASE OF AIRCRAFT CARRIER

680. DEA/8925-E-40

Le haut-commissaire au Royaume-Uni
au secrétaire d'État aux Affaires extérieures

High Commissioner in United Kingdom
to Secretary of State for External Affairs

TELEGRAM 1510 London, July 3, 1952

RESTRICTED

PURCHASE OF WARSHIP FROM BRITAIN

The *Daily Graphic* on July 1 published a despatch from its Ottawa correspondent, Patrick Nicholson, under the heading "British offer warship for 40,000,000 pounds more cheese." The story says it is understood in Ottawa that dollars paid by Canada for the aircraft carrier will be utilized by Britain in buying Canadian cheese, and includes an interesting calculation that since aircraft carriers cost about 2s.8d. a pound, compared with 2s.2d. a pound for Canadian cheese, the sale of an 18,000-ton carrier should yield nearly one pound of cheese for every person in Britain.

2. The story has not as yet been carried by any other London paper, but has caused some embarrassment to the Commonwealth Relations Office. Any information you could give me or the Canadian Joint Staff about the status of any discussions that may be proceeding regarding the acquisition of a new aircraft carrier in place of the *Magnificent* will be helpful.

681. DEA/50099-40

Le secrétaire d'État aux Affaires extérieures
au haut-commissariat au Royaume-Uni

Secretary of State for External Affairs
to High Commission in United Kingdom

Telegram 1342 Ottawa, July 4, 1952

Confidential

PURCHASE OF AIRCRAFT CARRIER FROM UNITED KINGDOM

Reference: Your Telegram No. 1510 of July 3, 1952.

Ministers recently gave authority for the purchase of a new aircraft carrier in the United Kingdom at an estimated cost of approximately $21,000,000 as an alterative to the extensive overhaul and alteration of the *Magnificent*. In this connection, Ministers directed that consideration be given to the desirability of discussing with the United Kingdom the use of a portion of the dollar revenue from the contract for the purchase in Canada of Canadian products such as cheese — importation of which had been reduced or discontinued because of the United Kingdom's balance of payments position. This matter was discussed with Earl Alexander when he was in Ottawa and advice has now been received through Earnscliffe that although the United Kingdom would be prepared, in the circumstances, to make a new carrier available it would not be possible in view of the foreign exchange position to earmark proceeds of the sale for the purchase of specific Canadian products. This advice does not rule out the possibility of further consultations with United Kingdom authorities on this question. We will be keeping you informed of further developments.

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682. DEA/50099-40

Le secrétaire d'État aux Affaires extérieures
au haut-commissariat au Royaume-Uni

Secretary of State for External Affairs
to High Commission in United Kingdom

Telegram 1665 Ottawa, July 25, 1952

Confidential

PURCHASE OF AIRCRAFT CARRIER FROM THE UNITED KINGDOM

Reference: Your telegram No. 1439 of July 19.†

I am informed that negotiations for the acquisition and completion of new aircraft carrier have been satisfactorily concluded. The only point at issue is the method of payment.

2. As I understand it, the suggestion made by Claxton in conversation with Alexander that the whole purchase price might be paid over to the United

Kingdom in the current fiscal year was linked with the suggestion that the United Kingdom would use some agreed proportion of the funds so advanced to buy Canadian cheese or other farm products in surplus supply.

3. From informal enquiries which Bower was authorized to make by the Department of Trade and Commerce and from conversations I had today with Leslie Rowan and Frank Lee, it does not appear that there is any likelihood that the United Kingdom would feel able to increase its food purchases from Canada in consideration of prepaying the estimated cost of the new carrier. In these circumstances am I right in assuming that the Canadian Government would prefer to pay for the carrier in the usual way, i.e. by progress payments, presumably quarterly, for work done on the construction and equipment of the carrier? Alternatively, are there budgetary considerations this year which might make it desirable to prepay the estimated cost of the carrier out of the current year's estimates?

4. I do not think there will be any difficulty about arranging payments by the ordinary method, at the same time I have no doubt that a decision to authorize prepayment would be a highly acceptable windfall to the United Kingdom Treasury.

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683. DEA/50099-40

Le secrétaire d'État aux Affaires extérieures
au haut-commissaire au Royaume-Uni

Secretary of State for External Affairs
to High Commissioner in United Kingdom.

TELEGRAM 1498 Ottawa, July 29, 1952

CONFIDENTIAL

PURCHASE OF AIRCRAFT CARRIER FROM THE UNITED KINGDOM

Reference: Your Telegram No. 1665 of July 25, 1952.

Your assumption is correct that we would prefer to pay for the carrier in the usual way, by progress payments for work done.

684. DEA/50099-40

Extrait du procès-verbal de la 89e réunion du Comité de la défense du Cabinet

Extract from Minutes of 89th Meeting of Cabinet Defence Committee

TOP SECRET Ottawa, October 9, 1952

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XI. *Name of Aircraft Carrier*

42. *The Minister of National Defence* recommended that the new aircraft carrier to be acquired by the Royal Canadian Navy should be named *H.M.C.S. Bonaventure.*

43. *The Committee* agreed that the new aircraft carrier for the Royal Canadian Navy be named *H.M.C.S. Bonaventure.*

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SECTION C

AFRIQUE DU SUD : LA QUESTION RACIALE
SOUTH AFRICA: RACE RELATIONS

685. DEA/10972-40

Le haut-commissaire en Afrique du Sud au secrétaire d'État aux Affaires extérieures

High Commissioner in South Africa to Secretary of State for External Affairs

DESPATCH No. 516 Pretoria, December 15, 1952

CONFIDENTIAL

AFRICANISM AND SOUTH AFRICA

Because of its immense area and diverse peoples and jurisdictions, it is sometimes difficult to realize how rapidly Africa south of the Sahara is becoming unified and how significant for the rest of the world this may be. It is not a unity of political forms or economic spheres of interest. In these regions the efforts at organized co-ordination of government are on a much more local scale, and are marked perhaps more by the reluctance of the units to come together than by any underlying unanimity of purpose. This is true of the tentative organization of common public services in East Africa, the Federation proposals in the Rhodesias and Nyasaland, and the conferences on Transportation and on common scientific problems of the CCTA [CTCA][68] (see my despatch No. 121 of March 11, 1952).† In each of these the value of combining forces for constructive ends is fully appreciated by those in charge of administration, but national, sectional and racial interests constantly intervene to delay or obstruct.

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[68] Commission for Technical Cooperation in Africa.

2. The African unity I have in mind is to be found in an entirely different quarter and springs from motives very different from those actuating the administration of the colonial powers or the government of South Africa. Two-thirds of Africa is discovering a unity in the swelling volume of African racialism which so far as one can observe is the same in the Gold Coast as in Uganda or the Transvaal, in Kenya as in Southern Rhodesia. It has the same opponent — the white man — the same general, even vague objective — self-determination — and it is founded in an unmistakeably common feature, the colour of its adherents. This last gives it one great advantage over its white rulers. Their colour unites them in the eyes of the African but so far has done little to bring them together in any significant common effort as far as this continent is concerned.

3. Bound together by two such powerful forces as the desire to shake free of the domination — however beneficent — of the white man and the fraternity of a skin pigmentation which almost everywhere in their experience is a disparagement of their race, it is not surprising that a buoyant and belligerent African nationalism or racism is now one of the most striking, and is certainly one of the most universal, social phenomena in Africa today.

4. To this potential of political and social revolution there have now been harnessed all the familiar powers of mass, swift, and sensational communication by the press and radio. As a result, wherever I have been in Africa, I have not only found that the African is intensely interested in what is happening in other parts of his continent — particularly in South Africa, the Gold Coast and now in Kenya — but that he also has abundant information on which to form his opinions and from which to draw encouragement.

5. Many people in South Africa are quite aware of all this. This government has, in matters of transportation, defence, and scientific research, not only supported but taken the initiative in promoting co-operation between African powers. But where the African himself is concerned, South Africans are in a dilemma. They repeatedly claim for their country the special task of preserving western civilization and aspire to give leadership to the other powers in authority in Africa. On the other hand they seem to be philosophically disqualified by their views on colour and by their fears of the African from playing such a role. Reasonable and earnest in so many ways, they seem to be quite incapable of dealing with an African movement because they can or will not concede that it has rights of its own and deserves at least as much respect and consideration as their own political and social convictions. There is a gap in mutual understanding which little is being done to bridge, so far as I can see, and each day it widens. Shortly before his death, about two years after the present Government of South Africa came to power, General Smuts remarked that even if he were to assume office at that date he was doubtful if he could bring about any reconciliation between the Africans and the Europeans, for many years. So far did he judge the races to have drifted apart. Today they are

even further apart, and it appears all the more ominous when viewed against the background of Africa as a whole.

6. It is possible, I suppose, to over-theorize about this matter and to overlook the countless obstacles that still divide and weaken any concerted African movement on this scale. But facts more compelling than the logic of a theory make it difficult to escape these conclusions. In the urban riots of the last few weeks, in the slow surge of the resistance movement, in the daily exhortations of African leaders to their people, the uniting spirit of the African race stretching from the Cape to the Sahara is as positive a force as the batons of the police or the laws which bar the black man from the economic opportunity which he so frequently merits.

T.W.L. MacDermot

CHAPITRE VIII/CHAPTER VIII

RELATIONS AVEC LES ÉTATS-UNIS
RELATIONS WITH THE UNITED STATES

PREMIÈRE PARTIE/PART 1

QUESTIONS DE DÉFENSE/DEFENCE ISSUES

SECTION A

PRÉSENCE DES FORCES DE DÉFENSE AU CANADA

DEFENCE PRESENCE IN CANADA

686. DEA/50030-T-40

Note de la 1re Direction de liaison avec la Défense
pour le sous-secrétaire d'État aux Affaires extérieures

Memorandum from Defence Liaison (1) Division
to Under-Secretary of State for External Affairs

SECRET Ottawa, July 9, 1952

SOME OBSERVATIONS ON OUR DEFENCE POLICY[1]

I thought it might be useful to put on paper some observations about our defence policy, particularly vis-à-vis the United States, should you be discussing with the Minister the Haines pipeline or other proposed installations in Canada.

2. During the war, for the first time, U.S. installations were constructed in Canada. Although the Government appears to have felt that it was undesirable to have U.S. installations in Canada, our construction industry was taxed to the limit and the United States were pressing for installations which were unnecessary for Canadian requirements. Thus we agreed to U.S. construction of the Crimson Route, the Canol pipeline system, and the Alaska Highway. My recollection is (although I have not checked the files) that the United States also did considerable construction in the way of improvements to existing airfields on the Northwest Route. We also permitted the United States to station forces in Canada for the protection of the Sault Ste. Marie locks. In no case, however, did we give the United States any long-term rights of occupation or use, all installations were for the emergency only.

3. Following the war we proceeded to liquidate all U.S. defence interests in Canada. We took over the Crimson Route, reimbursing the United States,

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[1] Notes marginales :/Marginal notes:
I sent this to Amer[ican] Div[ision] on Sept. 8/52. M. Wershof
See Washington's comments in Letter 1848 Aug. 20, 1952.†

partly on the basis of continuing value to Canada. We took over the maintenance of the Alaska Highway, agreeing, however, that U.S. forces might have the right of passage over the Highway. The United States withdrew its forces from the Canadian side of Sault Ste. Marie. The only "unliquidated" item that remained was Canol; the United States still has the ownership of the 4-inch line from Skagway to the Highway and the 3-inch line from Whitehorse to the Alaska boundary, but the remaining lines appear to have been abandoned. The principles of joint defence in the immediate post-war era were set forth in the thirty-third and thirty-sixth recommendations of the PJBD, copies of which are attached.[†]

4. The incorporation of Newfoundland raised new problems. We accepted the three U.S. bases and assured the United States that we had no intention of questioning their continued occupation of the bases and continued possession of necessary military rights. We did, however, question certain rights which we regarded as unnecessary and subsequently secured a modification of the Bases Agreement in these respects. One condition of the bargain, not expressly stated but implied, was the granting of a twenty-year lease to an area or areas within the Goose Bay Air Base, subject to Canadian command and control of the Base. This lease has not yet been formally completed but we should be able to complete it shortly. The fact is, of course, that U.S. lines of air communication lie across Newfoundland and Northeastern Canada, and we could hardly have expected the United States to withdraw from this area even under conditions of a quiescent world.

5. There have, of course, been profound changes in our defence situation and policy during the past four years, because of the increasing tension in the international situation. On the whole, these changes indicate a growing maturity in foreign policy: we have come to accept a substantial measure of responsibility for the preservation of a world order which we feel is essential for the security of our way of life and the safety of Canada as a nation. Thus we are participating in resisting aggression in Korea and in countering threats to aggression in Europe. These new responsibilities are heavy and costly, and I am afraid the tendency is growing to carry them at some expense to the maintenance of effective autonomy at home. It is to this latter phase of our policy that the remainder of the paper is mainly directed.

6. During the last four years we have been under repeated requests from the United States for closer co-operation in joint defence of North America and for facilities to enable the United States to operate effectively abroad. Following is a summary of the more important requests dealt with or pending:[2]

1) *Weather Stations*. The original proposal was that the United States would establish weather stations in Canada. This proposal was eventually modified to provide for joint weather stations, to which Canada would have command. Only one exclusively U.S. weather station (Padloping Island), built in wartime,

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[2] L'original porte la mention suivante :
The following is in the original:

> A comprehensive paper of U.S. defence rights in Canada is being prepared in the Division.

appears to remain. Although friction between Canadian and U.S. personnel has sometimes occurred, largely because of pay differentials and seniority of the U.S. Second-in-Command over Canadian officers in charge, on the whole, this scheme seems to be working satisfactorily.

2) *Loran Stations*. During the war certain Loran Stations were established by the United States in Nova Scotia and Newfoundland. After the war the Nova Scotia stations were taken over by Canada, but only recently have we been able to persuade Transport to agree in principle to taking over Newfoundland stations although the United States has long been willing. The United States has also requested and been granted permission to survey sites for new Loran stations in the Arctic archipelago. No request for establishing stations has yet come forward.

3) *Radar*. The original U.S. proposal was for the establishment of an extensive chain across Northern Canada. Over a two-year period this request was modified and an agreement was eventually reached for the establishment of thirty-one stations, most of them within reasonable access of settled areas along the following lines:

(a) Title to all sites to remain vested in Canada;

(b) The United States to pay for, roughly, two-thirds of the construction and operating costs, and Canada one-third;

(c) Canada to do the construction and Canadian materials to be used as far as practicable (all but eight stations in the Newfoundland-Labrador area are being constructed by Canada);

(d) Canada to man at the outset thirteen stations (later amended to fourteen), the United States the remainder, although Canada can take over the manning of any further stations at any time. *No plans are being made by the RCAF to man additional stations.*

The United States has subsequently requested permission to survey sites in the Arctic islands for two additional stations (presumably for the protection of Thule Base, Greenland). The request for surveys has been granted.

At the last meeting of the Permament Joint Board on Defence the United States proposed the establishment of six additional stations in Ontario to protect the U.S. Great Lakes area against low-flying aircraft which might get through the radar net approved and under construction. Three at least of these sites would be in settled areas in Southern Ontario. The United States defence authorities have been put off with requests for further information, but we shall certainly be under pressure for the establishment of these sites. These sites would not be covered by the existing agreement.

4) *Frobisher*. The United States has requested and been granted the use of Frobisher as a staging and supporting field for Thule. Use is on a year-to-year basis, and if substantial improvements are made to the field, as is likely it may be hard to get the U.S. forces out. The principle of Canadian command and control has been maintained, the RCAF agreeing to a Canadian Commanding Officer, Canadian operation of the control tower, and a small detachment for maintenance purposes.

5) *GLOBCOM Sites*. About a year ago the United States requested small sites in Newfoundland adjacent to Harmon Field and to Pepperrell for the establishment of global communication facilities. The original proposal was that the same terms and conditions as applied to the leased bases — i.e., ninety-nine years, etc. — should apply, but they were subsequently induced to modify this. The United States has since dropped the proposed sites near Pepperrell, but has added sites in or near Goose Bay. The final proposal accepted by the Ministers concerned and the United States is that the Goose Bay sites should be brought under the terms of the Goose Bay lease and that the United States have occupation of the Harmon site without fixed tenure, either Government having the right to terminate the arrangement subject to consideration by the PJBD, but in such circumstances the PJBD should have regard to the relationship of these facilities to the Goose Bay facilities. In effect, the United States has secured twenty-year tenure for these sites as well as Goose Bay.

6) *Torbay*. As you know, the United States has informally proposed the development of Torbay as an air-head for supplying outlying stations of the Northeast Command and as a fighter base with accommodation for one squadron. The Canadian Section of the PJBD was able to postpone formal presentation of the request by asking the United States to examine whether their needs could not be met elsewhere (e.g., the Harmon or Argentia bases). It can hardly be said however that the issue is dead. If the United States is granted permission to develop Torbay it will certainly demand some assurance of tenure.

7) *Northeast Command*. Some time ago the Canadian Government, after prolonged consideration, agreed to the establishment of a U.S. Northeast Command for the Newfoundland-Northeast area of Canada. We were assured at the time that this was not an operational command but merely an administrative one. Indications are, however, that the command authorities assume (and perhaps rightly from their instructions) that it is an operational command. Certainly, under the U.S. Bases Agreement, the United States has the right to take measures to defend the bases. Nor is there any express limitation on the type of operations that may be mounted from the bases, even in peacetime.

The problem is how to reconcile the principle of Canadian command for the defence of Canadian territory (agreed to in Joint Defence plans), with the fact of U.S. rights to defend their own bases in Newfoundland. The problem is most acute in air defence, since air defence of the bases cannot be localized in the base areas and since in fact the only important targets in the area (except St. John's) are the bases. The RCAF plans do not provide for the stationing of any air defence forces in Newfoundland, even in wartime. For some time this problem has been under discussion between the U.S. Northeast Command and the Canadian Atlantic Command (Halifax) and in the Chiefs of Staff. I understand the present tendency in the Chiefs of Staff is to propose that the U.S. Air Defence Forces in Newfoundland should be given responsibility for the defence of this area in Canadian territory by placing U.S. Air Defence

Forces in the area for this purpose under the control of the Canadian Air Defence Command (Montreal). However, the U.S. Northeast Command comes directly under the Joint Chiefs of Staff and is responsible for protecting air transport and SAC operations through the area, responsibilities which complicate the problem.

8) *SAC Operations over Canadian Territory or from Bases in Canadian Territory.* As you know, there have been special discussions on this problem.

9) *Reciprocal Reinforcements in Air Defence.* At the request of the United States, arrangements have been made for reciprocal reinforcements on the initiative of Air Defence Commanders of Air Defence Forces of the two countries in the event of war — the United States has pressed for the use of the term "emergency", which however we have avoided.

10) *Interceptor Flights.* At the request of the United States, the PJBD recommended, and both Governments approved, that the Air Defence Forces of either country under certain conditions might intercept unidentified aircraft over the other, but might not fire thereon. The USAF are now pressing for an extension of this right to permit of opening fire (a) on a plane committing, or manifestly intending to commit, hostile acts; or (b) in the event that the Air Defence Commander responsible for defence of the area authorizes such firing.

11) *Haines Pipeline.* As you know, Cabinet has approved construction in principle, but apparently there was no support in Cabinet for Canadian participation. This may give the United States in effect a more or less permanent right-of-way across Canadian territory.

Some General Observations

7. It may be that we shall receive fewer demands for new facilities in Canada now that the U.S. Defence acceleration seems to be slackening down. On the other hand, we should not overlook the possible shift in U.S. policy towards greater defence at home and lesser defence abroad should there be a Republican victory next November, and especially if the new President were Mr. Taft or a compromise candidate. A shift in the emphasis of policy towards continental defence would almost certainly result in more pressure for facilities in Canada, pressure which might be very difficult to withstand.

8. Certain other difficulties may be noted: We have repeatedly asked the U.S. authorities for a full statement of their requirements in the Northeast region, but with little result. On different occasions we have been given to understand that nothing more is required, only to have new requests arise shortly thereafter. The fact is, of course, that the U.S. defence programme has been a developing one and that probably they have been unable to give us a final statement of requirements. We have also repeatedly asked to be informed well in advance of requests, but, again, with little result. The Haines pipeline is a specific example of how things are constantly done. We gave permission for the survey about two years ago, but we heard nothing more until the last meeting of the PJBD, when they came forward with a request for an answer in two weeks because of the alleged urgency of the requirement. I suppose the reason is that their requirements, like ours, are not governed only by military needs

but by appropriations, and they cannot really say that any facility is a requirement until they have the appropriation. As soon as they get the appropriation for an item the military are often in a hurry to get it done. In part the reason is, no doubt, that the military authorities may have already waited a long time for approval by their own financial authorities, and are already impatient by the time the request is put forward to us. But in part the reason is the U.S. military authorities are very reluctant to take us — or the State Department for that matter — into their confidence at the planning stage. Again, the Haines pipeline is an example. This situation inevitably annoys Canadian officials and Ministers: the U.S. authorities in turn are liable to becomme impatient even by the necessary delay in "processing" a request. One further point is that the establishment of a U.S. facility in Canada inevitably leads to subsidiary requests and sometimes to attempts by U.S. Service personnel to exercise control over Canadians in other ways. For example, there has been more than one incident at Goose when they have attempted to control Canadian ships. The situation in the Arctic is also in point. U.S. activities there now far surpass those of Canada, and there have been numerous incidents of U.S. military personnel "throwing their weight about." For example, some months ago the USAF at Thule ordered an RCAF plane on aerial photography over Canadian territory to stop taking photographs and land at Thule. (We heard of the incident only inadvertently, so no action was taken in the Department.) We may anticipate further expansion of the activities of the United States in this area, as indicated above with regard to radar and Loran (see attached photostat chart).

9. On our part, I think we should recognize that certain other Departments, notably National Defence and Finance, are not very concerned with protecting Canadian sovereignty or autonomy. In fairness to National Defence, our new Defence policy has, of course, imposed on them very heavy responsibilities for operations abroad. In addition, the practice of the Cabinet is to impose an upper limit to defence expenditures, which is always substantially less than the programme which National Defence feels is essential to fulfil their responsibilities. National Defence has then to cut requirements. Naturally, they seek to avoid house-keeping or guard duties for the United States (e.g., radar stations), and tend to assume that their primary responsibilities are the definite commitments of participation abroad rather than protecting such intangibles as sovereignty or autonomy at home.

Conclusions

It is clear that we cannot avoid close co-operation with the United States in the territorial defence of the Continent, and in facilitating its operations abroad in collective defence enterprises in which we are partners. I feel strongly, however, that we should follow as closely as possible the line of policy which was worked out during and especially after the war, which may be briefly summarized as follows:

(a) The United States should be granted no long-term rights of occupation to defence sites in Canada;

(b) As far as possible, facilities should be joint enterprises, in which Canada should maintain command and control;

(c) Canadian command for the defence of Canadian territory (to make this effective we should be prepared to provide the major forces required for the defence of Canadian territory);

(d) We should avoid entering into arrangements which would permit the stationing of U.S. forces in Canada and seek to liquidate existing arrangements permitting this (e.g., the manning of radar stations by U.S. personnel), the Bases Agreement and Goose Bay Lease excepted.

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687. DEA/50216-40

Extrait d'une note

Extract from Memorandum

SECRET Ottawa, November 22, 1952

MEMORANDUM OF A DISCUSSION WITH MR. HAYDEN RAYNOR OF THE STATE DEPARTMENT, HELD ON NOVEMBER 20, 1952

Mr. Hayden Raynor, of the U.S. State Department, and Mr. Don Bliss, Minister at the U.S. Embassy, called this morning on Mr. MacKay. Also present for the discussions were Mr. Rogers,[3] Mr. Eberts,[4] Mr. Cox,[5] and Mr. Barton.[6] The following topics were discussed:

. . .

Canada-United States Defence Relations Generally

3. There was some discussion of the difficulties which Canada had in dealing with U.S. requests concerning proposed U.S. defence installations in Canada. The principal of these was the fact that Canada was not consulted at a sufficiently early stage in the development of plans. This resulted in delay in obtaining Canadian consideration of U.S. proposals. As an example, the situation concerning the Haines-Fairbanks pipeline was cited. Canada first learned of this project at the June, 1952 meeting of the PJBD, when Canadian approval was requested as a matter of urgency. The proposal required negotiations with the B.C. Government which have proven complicated and time-consuming, and thus have delayed Canadian approval. However, the concern of Canadian officials over this delay is tempered by the knowledge that

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[3] E.B. Rogers, I$^{\text{ère}}$ Direction de liaison avec la Défense.
E.B. Rogers, Defence Liaison (1) Division.

[4] C.C. Eberts.

[5] G.E. Cox, Direction de l'Amérique./G.E. Cox, American Division.

[6] W.H. Barton, I$^{\text{ère}}$ Direction de liaison avec la Défense : secrétaire de la section canadienne de la Commission permanente canado-américaine de défense (CPCAD).
W.H. Barton, Defence Liaison (1) Division; Secretary, Canadian Section, Permanent Joint Board on Defence (PJBD).

a complete account of the project was published in a U.S. journal as early as December, 1951.

4. Another example of a case where lack of early consultation had delayed consideration by Canada of a U.S. defence project was that of the six additional radar stations which it was proposed should be located in Ontario. This proposal had first been advanced by the U.S. Section of the PJBD in June, 1952, but the information which Canada required prior to consideration of the proposal was not furnished until the September meeting of the Board. This project raises another problem of concern to the Canadian Government, i.e., the stationing of numbers of U.S. troops in populated areas of Canada, which is politically undesirable for a variety of reasons, and causes difficulty whenever it arises.

5. There was some discussion of the situation with respect to U.S. activities and installations in Newfoundland. It was agreed that the recent modification of U.S. proposals concerning Torbay, coupled with the current meetings of the M.C.C. on the question of command in the Northeastern area of Canada, had done much to ease the concern of the Canadian Government over the position there. In the discussion on this item, Mr. MacKay again drew attention to the firm Canadian policy that a Canadian commander must control air defence operations over Canadian Territory. He also reiterated the concern of the Canadian Government to keep the numbers of U.S. forces situated in populated areas of Canada to a minimum.

6. Mr. MacKay then raised the question of U.S. defence activities in the Arctic. He referred to Project "Lincoln" and expressed concern that it might be considered necessary to superimpose such an expensive scheme on the existing radar network. There followed a general discussion on the implications of Project "Lincoln", during the course of which it was made clear that it was recognized that the proposals involved had not, as yet, been accepted by the U.S. defence authorities, and might never be.

7. Mr. Raynor stated that he appreciated the Canadian position on these matters, and said that the State Department was endeavouring to improve arrangements for consultation with the Canadian authorities on joint defence arrangements. He expressed the view that the tradition of friendly relations between Canada and the United States was built upon frank discussion of difficulties as they arose.

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SECTION B

RÉSEAU D'ÉCRANS DE RADAR (PINETREE)
RADAR DEFENCE SYSTEM (PINETREE)

688. DEA/50210-40

Note du sous-secrétaire d'État aux Affaires extérieures pour le secrétaire d'État aux Affaires extérieures

Memorandum from Under-Secretary of State for External Affairs to Secretary of State for External Affairs

SECRET Ottawa, January 19, 1952

RADAR DEFENCE SYSTEM

In January, 1951, the Permanent Joint Board on Defence recommended the establishment of a radar defence system involving the construction of 31 stations in Canada. It was agreed that the cost should be shared by Canada and the United States on a ratio of approximately 1 to 2. By the terms of the Recommendation, it was provided that Canada might take over the operation of additional stations in the chain beyond its one-third share. Canada, therefore, has the right to operate all the radar stations on Canadian soil. When the system comes into operation later this year, Canada plans to man 13 stations which are, because of the nature of the stations, 4 more than Canada's one-third share. The United States will reimburse Canada for the operation of these 4 stations. Since the costs of operating the whole system are to be shared on a ratio basis, it would cost Canada about the same amount of money to man 30 stations as it does to man 13. From 120 to 200 men are needed on each station.

When the radar system was planned, the RCAF indicated an intention to man additional stations as soon as operators could be trained. From the political viewpoint it seems desirable that Canada should operate as many of the stations as possible. Although stations designed almost entirely for the protection of the U.S. bases in Newfoundland might best be manned by U.S. operators, it seems theoretically desirable that all other stations should be manned by Canada. Not only would Canadian manning limit the number of exclusively U.S. installations on Canadian soil but it would put us in a better position in discussions with the United States on command in the air defence of North America.

We understand from the RCAF that National Defence has now no plans for taking over additional stations in the network for at least the next two years. No provision is being made to train additional operators for the system. Responsible officers in National Defence have suggested that the possibility of Canada wanting additional stations is "both academic and remote."

Since the estimates for the next fiscal year are now fairly definite, and since the RCAF manpower ceiling makes the commitment of additional radar operators and supporting staff difficult, perhaps we might postpone raising the issue with National Defence. This is, however, a matter which we might bear in mind when future manpower requirements are being considered.

A.D.P. H[EENEY]

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689. DEA/50210-40

Note du sous-secrétaire d'État aux Affaires extérieures pour le secrétaire d'État aux Affaires extérieures

Memorandum from Under-Secretary of State for External Affairs to Secretary of State for External Affairs

SECRET [Ottawa,] September 24, 1952

UNITED STATES IMPLEMENTATION OF THE AGREEMENT FOR EXTENSION OF THE CONTINENTAL RADAR DEFENCE SYSTEM

You may be interested in looking at the annexed letter of September 23rd from the United States Embassy regarding the plans of the USAF Air Defence Command for the manning and support of radar stations in Canada which are to be operated by the USAF.†

2. We have sent this letter to the Department of National Defence and other interested Departments for comment. It is not clear at the moment whether the express permission of the Canadian Government is required for the establishment of the offices in Winnipeg, Vancouver[7] and Ottawa referred to in the letter. The Exchange of Notes of August 1, 1951, included an authorization to the United States to station personnel at the sites of the radar stations but did not deal with the need for supporting offices in various cities of Canada.

3. In connection with the proposed "Accountable Office" in Ottawa, the United States Embassy told us that they had suggested to the USAF that the 28 officers and airmen who are to be in this office should not normally wear uniform.

L.D. W[ILGRESS]

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[7] Note marginale :/Marginal note:
These are already in operation!

690. DEA/50210-40

Note de la Ire Direction de liaison avec la Défense
Memorandum by Defence Liaison (1) Division

Ottawa, October 1, 1952

RADAR AGREEMENT WITH THE U.S.: PROPOSED ESTABLISHMENT OF U.S. MILITARY OFFICES IN OTTAWA AND OTHER CITIES

I attended a meeting in the Minister's Office today (with Mr. Wilgress, Mr. Ritchie, and Mr. MacKay) at which the Minister brought up the recent letter from Mr. Morgan, of the U.S. Embassy, concerning the proposed offices.

2. The Minister recalled that it had always been desired that the radar stations to be operated by the U.S. should not be close to centres of population. Now the U.S. wish to open military offices in Ottawa and other cities in connection with these radar stations. He was not very happy about the prospect. Mr. MacKay pointed out that the offices would be temporary installations and were apparently essential in connection with the big construction and financial operation involved. Mr. Pearson asked whether we could not tell the U.S. that these offices should be set up as annexes to the U.S. Consulates. This form of establishment would be preferable to the establishment of separate USAF offices in Ottawa and other cities. Mr. MacKay said that he thought this might be a possible solution and that we should look into it.

3. After the meeting I spoke to Mr. MacKay, and he thought that we might wait for a few days before speaking to the U.S. Embassy.[8] In the meantime we may get replies to the letters we sent to the other Government departments concerned.

M.H. W[ERSHOF]

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[8] Notes marginales :/Marginal notes:
Mr. Wershof, I think we might now suggest this to Mr. Bliss or Mr. Morgan. R.A. M[acKay]
Noted. M. W[ershof]
[Don C. Bliss était ministre et J.H. Morgan était conseiller à l'ambassade des États-Unis.]
[Don C. Bliss was Minister, and J.H. Morgan was Counsellor, Embassy of United States.]

691. DEA/50210-40

Note du sous-secrétaire d'État aux Affaires extérieures pour le secrétaire d'État aux Affaires extérieures

Memorandum from Under-Secretary of State for External Affairs to Secretary of State for External Affairs

SECRET [Ottawa,] October 8, 1952

RADAR AGREEMENT WITH THE U.S.: ESTABLISHMENT BY THE USAF OF OFFICES IN CANADIAN CITIES

Annexed for convenient reference is my memorandum to you of September 24 on this subject. Pursuant to your instructions, Mr. Wershof had a talk with Mr. Bliss regarding these offices, and put to him the idea of calling them annexes to the respective U.S. Consulates. Before reporting Mr. Bliss' response to this suggestion, I should like to give you his clarification of the purposes and problems of the offices, particularly the one in Ottawa.

2. The small Finance Offices in Winnipeg and Vancouver are necessary in order to look after the financial affairs of the stations in Northwestern Canada which will be operated by the USAF. The Post Exchange office in Winnipeg has been established in order to help the USAF to buy Canadian products, as far as possible, for sale in the P.X.'s which the Department of National Revenue is allowing the USAF to establish at some of the remote radar stations.

3. The "Accountable Office" in Ottawa is being established for the purpose of keeping an accurate record of the U.S. Government's property which is going into the stations manned or constructed by the U.S. It is necessary to keep such a record and to keep it up to date indefinitely, because of the possibility, under the Radar Agreement, that some of this property may eventually be reclaimed by the U.S. and the further possibility that the property might some day be transferred to Canadian Government ownership. Mr. Bliss feels therefore that the activities of the Accountable Office are not only essential from the point of view of the U.S. Government, but will be very useful to the RCAF when, or if, the RCAF takes over the operation of any particular station from the USAF.

4. The U.S. Government would have preferred to put the Accountable Office in a Canadian Government office building. They made enquiries (not through External) and were told that there was no possibility of Canadian Government office space being available. Accordingly, they have rented space in the Metcalfe Building, although the lease has not yet been signed.

5. Even before we raised the question, the U.S. Embassy and the Air Attaché had discussed with the Air Defence Command of the USAF the desirability of making the Ottawa office as inconspicuous as possible. There is no danger of the main entrance bearing a description such as "U.S. Air Force, Air Defence

Command, Ottawa Branch." The name they had in mind for the office was simply "Air Defence Command, Property Office."

6. The personnel of this office will be instructed to wear civilian clothes except on ceremonial occasions of an official or social nature requiring the wearing of a uniform, or when on travel status.

7. The personnel will also be briefed on the necessity of keeping the office inconspicuous. They will be told to say to enquirers that they are working on a joint classified project of the USAF and the RCAF.

8. Mr. Bliss said that he and the USAF are convinced that this office has to be in Ottawa because of the necessity of its being in close touch with the RCAF and the Department of Defence Production.

9. Mr. Bliss hoped that this information would help to give a more accurate picture of what the office will be doing.

10. He then discussed your suggestion that the offices in Ottawa and in the other cities might be called "Annex to the U.S. Consulate". Mr. Bliss says that such a decision would create real administrative difficulties for the State Department and for the U.S. Embassy. The Consulates had, in fact, nothing to do with the personnel and work of these offices and all kinds of administrative trouble and confusion for the U.S. Government would be created if the offices had to be called Annexes to Consulates. He said that consideration had been given to the possibility of nominally placing the personnel of the Ottawa office under the Air Attaché, but here again the practical difficulties were serious; for one thing, it would mean adding twenty-eight people to the nominal staff of the U.S. Embassy.

11. Mr. Bliss would like to know whether we wish to press the suggestion that the offices be called Annexes to Consulates.

12. Also, Mr. Bliss would be grateful for assurance that, leaving aside the question of name, there is no substantive objection to the establishment of the offices, particularly the one in Ottawa. The personnel who are to work in the Ottawa office have received their instructions and are arranging to come here; nine are here already. It is therefore important for the US Embassy to know almost immediately if the Canadian Government objects to the opening of the office.[9] In this connection, we are expecting to receive a letter from National Defence saying that they have no objection to the establishment of the offices.

L.D. W[ILGRESS]

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[9] Notes marginales :/Marginal notes:

How many do they expect to have in Ottawa? L.B. P[earson]

I told Mr. Wilgress the number is 28. He thought Mr. Pearson wouldn't mind that. M. W[ershof]

Minister says let the U.S. go ahead. W[ilgress]

692. DEA/50210-40

Le sous-secrétaire d'État aux Affaires extérieures
au ministre de l'ambassade des États-Unis

Under-Secretary of State for External Affairs
to Minister, Embassy of United States

SECRET [Ottawa,] October 20, 1952

Dear Mr. Bliss,

RADAR DEFENCE SYSTEM:
U.S.A.F. OFFICES IN OTTAWA, WINNIPEG AND VANCOUVER

As you know, the Canadian authorities have been considering the plans for United States offices in Ottawa, Winnipeg and Vancouver, described in Mr. Morgan's letter of September 23.

Although we would have preferred to see these U.S.A.F. offices located elsewhere than in cities, the Canadian authorities recognize that the offices are necessary for the efficient support of those radar stations which are to be manned by the U.S.A.F., and therefore no objection is taken to their establishment.

We understand that the personnel of the offices will not normally wear uniform and that every reasonable effort will be made to keep the offices inconspicuous.

With reference to the establishments in Winnipeg and Vancouver, the Department of National Defence has asked the R.C.A.F. to see whether it would be possible for them to find space at one of their establishments in each of these centres to make it unnecessary for the U.S.A.F. to set up downtown offices. If however, in the meantime, the U.S.A.F. have or will have entered into lease arrangements, this suggested provision of space by the R.C.A.F. might be possible at some future date.

The offices are not, of course, regarded as permanent establishments. Their operation in future years depends on the continuance of the need for them. The Canadian Government therefore reserves the right to withdraw the permission for their establishment, but such action would naturally be taken only after full consultation and reasonable notice.

Yours sincerely,
L.D. WILGRESS

SECTION C

AUTORISATION DE SÉJOUR DES TROUPES DE RACE NOIRE
ADMISSION OF BLACK TROOPS

693. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa,] November 28, 1952

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ADMISSION OF UNITED STATES TROOPS
INCLUDING NEGRO PERSONNEL

4. *The Minister of National Defence* reported that the United States wished to station army units in Canada for the manning of some of the radar stations and the units would include negroes integrated into white formations. They had enquired whether there would be any objection. There might well be objection to the stationing of negro units but it was difficult to take exception to units that included only a proportion of negroes. He suggested that the U.S. authorities be informed that the units could be brought in but that they be asked informally to ensure that the proportion of negro personnel did not exceed ten percent.

5. *The Cabinet* noted with approval the remarks of the Minister of National Defence on the admission for the manning of radar stations of U.S. military units, which were predominantly white but which included integrated negro personnel, and the proposal that the United States authorities be asked informally to see that the proportion of negroes did not exceed ten percent.

SECTION D

VOLS DE CHASSEURS INTERCEPTEURS
INTERCEPTOR FLIGHTS

694. DEA/50246-40

Note de la I^ère^ Direction de liaison avec la Défense
pour le sous-secrétaire d'État par intérim aux Affaires extérieures

Memorandum for Defence Liaison (1) Division
to Acting Under-Secretary of State for External Affairs

SECRET [Ottawa,] July 28, 1952

INTERCEPTOR FLIGHTS
BY THE UNITED STATES IN CANADA

Current procedures approved both by Canada and the United States governing interception of possible hostile aircraft, are based on PJBD

Recommendation 51/4 of May 1951. These procedures provide that aircraft controlled by the Air Defence System of the U.S. or Canada engaged in intercepting unidentified aircraft crossing the border between the two countries are permitted to fly over the territory of both countries as may be required to carry out effective interception. Interceptor flights are governed by the following provisos:

(a) Investigations by U.S. military aircraft over Canadian territory will only occur in the case of an aircraft headed for the Canada-U.S. border from the Canadian side whose flight plan has not been transmitted to the U.S. authorities; or which is off course, and then only in the event that the actions of the aircraft give rise to a reasonable interpretation of intention to cross the border. Activities of Canadian military aircraft over the United States are similarly restricted.

(b) Close investigation, with all due precaution, or interrogation, is to be performed solely on unidentified multi-engined aircraft for the purpose of obtaining electronic or visual identification. No attempt will be made to order an intercepted aircraft to land, nor to open fire except when the intercepted aircraft is over the national territory of the Air Force performing the interception.

(c) Investigating aircraft will not approach closer, in accordance with Civil Aeronautics Authority and Department of Transport standards, than is necessary to establish identification.

2. At the PJBD meeting of June 1952, the U.S. Air Force Member stated the opinion of the USAF that Recommendation 51/4 was too restrictive. The terms proposed as more suitable by the USAF are as follows:

"(a) The Air Defense Commander of either country, or the coordinated air defense system of both countries, be authorized to employ fighter-interceptor aircraft of either or both countries, or other means of either or both countries, available to him in the interception of unidentified aircraft over the national territory of either country regardless of International Boundary.

(b) The exercising of this authority be qualified by the following conditions:

(i) Investigations to occur in, but not limited to, the case of aircraft crossing an Air Defense Identification Zone Boundary (Canada or the United States) whose flight plan has not been received by the Air Defense System, or which was off course or late beyond mutually acceptable criteria for identification. Investigations be conducted by interception and visual identification, and electronic interrogation.

(ii) No attempt be made to order intercepted aircraft to land nor to open fire unless the aircraft commit(s) a hostile act, is (are) manifestly hostile intent, or is (are) declared hostile by the Air Defense Commander responsible for identification.

It will be noted that these provisions make no attempt to define 'hostile act' and 'manifestly hostile intent.' It is considered to be impracticable to attempt to list or otherwise define all of the many ways in which an aircraft can commit a hostile act or evidence hostile intent. Any agreement specifically spelling out such methods would be too restrictive upon the Air Defense Commander concerned."

3. The question of the exact meaning of the USAF proposals has been discussed by this Department with officers of the RCAF concerned with the matter. They have advised that if the proposals were approved it would mean that *either* USAF or RCAF aircraft, directed *either* by a USAF or RCAF air defence controller, could order interception of aircraft over U.S. or Canadian territory, and if it was deemed that a hostile act was being committed or intended, could order the aircraft being intercepted to land or be shot down. It would remove the present restriction that no attempt will be made to order an intercepted aircraft to land, nor to open fire except when the intercepted aircraft is over the national territory of the Air Force performing the interception.

4. The U.S. proposals were referred by the Secretary, PJBD, to the Department of Transport for comment. The Deputy Minister of Transport replied, on July 21, 1952, that he could see no reason for extending the existing regulations. He followed this by two further letters, the first dated July 21, 1952, and the second dated July 22, 1952, (copies attached)† giving details of an incident involving a TCA flight from Winnipeg to Toronto, on July 9, 1952, when it was intercepted by two USAF F-86 aircraft. In his letter of July 21 he stated that he regarded this incident as supporting the argument that the existing procedures should not be extended as proposed by the USAF.

5. Copies of the letters received from the Deputy Minister of Transport have been passed to the RCAF member of the PJBD for comment. In the event that the USAF aircraft violated existing procedures, the A.O.C. Air Defence Command, RCAF, has an established channel for reporting the incident to the USAF for disciplinary action.

6. The RCAF officers concerned have informed us that flight plans of all aircraft flying in the air defence interception zone at altitudes above 4000 ft. are required to be transmitted to air defence control centres both in Canada and the United States. In Canada the communications links involved are operated by the Department of Transport, and in the United States by the Bell Telephone Company on behalf of the Defence Department. The air defence identification zone in Canada has only recently been extended west of the Great Lakes, and links with the USAF are not yet functioning satisfactorily. The RCAF therefore anticipates the possibility of further interceptions until the situation is remedied. This will likely be a source of irritation to TCA and the Department of Transport, but should probably be tolerated for the time being so long as the intercepting aircraft obey the established procedures. The RCAF officers concerned ventured the personal comment that the Department of Transport was not being very helpful in making the present system function effectively.

7. After the Services and the Department of Transport have settled on their views with respect to the U.S. proposal, I will consult with you prior to the September meeting of the PJBD as to the position to be taken by this Department. In the meantime I thought that you would wish to be informed of

the existing situation and the incident involving the TCA Flight from Winnipeg to Toronto.[10]

M.H. WERSHOF

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695. DEA/50246-40

Le secrétaire d'État par intérim aux Affaires extérieures au ministre des Transports

Acting Secretary of State for External Affairs to Minister of Transport

SECRET Ottawa, September 17, 1952

My dear Colleague,

INTERCEPTOR FLIGHTS

At the June, 1952 meeting of the Permanent Joint Board on Defence the U.S. Section of the Board made proposals for a modification of Recommendation 51/4 on interceptor flights (copy of Recommendation 51/4 attached).† The effect of the U.S. proposal would be to allow the Air Defence Commander of either country or the over-all Air Defence Commander, if appointed, authority to employ interceptor aircraft or other available means of either or both countries without regard to international boundaries. The U.S. Section considered that this modification was necessary because an unidentified aircraft could fly on a course in Canada parallel to the Canada-United States border and at the last moment turn onto a heading for an attack on a U.S. target adjacent to the border. Under existing regulation a USAF aircraft intercepting an enemy aircraft would not be able to engage the aircraft until it crossed the international border. A copy of the U.S. proposal was forwarded to your Deputy Minister at the conclusion of the PJBD meeting.

The RCAF views on the U.S. proposal are contained in the Memorandum from the RCAF Member to the Canadian Secretary of the PJBD, dated September 8, 1952, (copy attached).† Briefly the RCAF supports the view of the United States that the conditions of the Recommendation require modification. However, they do not agree with the USAF proposal and recommend instead that sub paragraphs (a) and (b) of Recommendation 51/4 should be modified as follows:

(a) Investigation of unidentified aircraft by U.S. military aircraft over Canadian territory would only occur when it is not possible for a Canadian military aircraft to carry out the investigation; the activities of Canadian military aircraft over U.S. territory would be similarly restricted. For the purposes of this agreement an unidentified aircraft is an aircraft which enters or flies within an Air Defence Identification Zone, whose flight plan has not been received by the Air Defence System or which is off course or late beyond mutually acceptable criteria for identification.

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[10] Notes marginales :/Marginal notes:
I think the Minister might wish to see this. C.S.A. R[itchie]
We should be very careful about extending these interception rights — especially when no emergency exists. L.B. P[earson]

(b) Close investigation with all due precaution, or interrogation would be performed solely on unidentified multi-engine aircraft for the purpose of obtaining electronic or visual identification. The Rules of Engagement of the country over which the interception takes place are to apply, except that the engagement of an aircraft is to be carried out only on orders issued by the Air Defence Commander (or an officer who has been delegated the requisite powers) of the country over which the interception takes place.

The RCAF proposal was discussed at a meeting of the Canadian section of the PJBD which was held on September 16, and at which Major R. Dodds, Controller of Civil Aviation, was present. Major Dodds stated that his Department recognized the validity of the view that a modification of the existing recommendation was required and felt that the RCAF proposal was sound. He added, however, that his Department was greatly concerned about the possibility of an international incident as a result of carelessness on the part of a USAF pilot.

General McNaughton pointed out that the two countries had invested an enormous amount of money in the Air Defence System and that the interception procedure was essential to its success. He noted that under the RCAF proposal authority to engage an unidentified aircraft over Canadian territory would have to be granted by the Canadian Commander and that the provisions of sub-paragraph (c) of Recommendation 51/4 which states "Investigating aircraft would not approach closer, in accordance with Civil Aeronautics Authority and Department of Transport Standards, than is necessary to establish identification" would still be operative. He proposed that emphasis could be added to the Canadian position in this matter by requiring that all interceptions which breached Department of Transport regulations and the disciplinary action taken as a consequence should be reported to the PJBD. General McNaughton then directed that the RCAF proposal with the addition which he had suggested should be submitted to the Ministers concerned, i.e. External Affairs, National Defence and Transport, to obtain their permission to advance the Canadian proposal at next week's meeting of the PJBD.

It seems to me that the RCAF proposal with the addition suggested by General McNaughton is a sound one. If you agree I will instruct the Canadian Section that they may advance the Canadian proposal at the meeting of the PJBD which is to take place next week.

Yours sincerely,

BROOKE CLAXTON

696. DEA/50246-40

Le ministre des Transports
au secrétaire d'État par intérim aux Affaires extérieures

Minister of Transport
to Acting Secretary of State for External Affairs

SECRET Ottawa, September 19, 1952

My dear Colleague:

RE: INTERCEPTOR FLIGHTS

I have your letter of the 17th instant with reference to the proposals made by the U.S. Section of the Permanent Joint Board on Defence for a modification of Recommendation 51/4 on interceptor flights.

I note the views of the R.C.A.F. on the U.S. proposal and I have had the benefit of a discussion with General McNaughton this afternoon. I approve of the R.C.A.F. proposal with the addition suggested by General McNaughton.

I simply want to take this opportunity to bring to your attention the fact that the arrangements under Recommendation 51/4 have caused the Civil Aviation Branch of the Department of Transport some anxiety. For example there were two cases of United States jet fighters intercepting T.C.A. aircraft over Canadian territory this summer in rather dangerous circumstances. In one case T.C.A. considers that a fatal accident was avoided by a very small margin. The new proposal will add somewhat to the risk of civil flying since, in spite of precautions, mistakes in interception do occur as will errors in judgement on the part of military pilots whose enthusiasm may be less tempered by safety considerations than in the civil field. However, I realize that in times of war or great emergency such as we now have the national interest must prevail. For that reason and for the reasons set out in your letter, I concur in the proposal.

Yours sincerely,

LIONEL CHEVRIER

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697. DEA/50246-40

Extrait du procès-verbal
de la Commission permanente canado-américaine de défense

Extract from Journal of Permanent Joint Board on Defence

SECRET September, 1952

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7. *Interceptor Flights.* The Canadian Air Force Member referred to Section 3 of the Board's Journal of June 1952 in connection with interceptor flights. At the last meeting the U.S. Air Force Member had indicated that the U.S. Air Force considered Recommendation 51/4 on this subject to be too restrictive. The United States therefore had submitted proposals for a modification of the Board's previous Recommendation.

The Canadian Air Force Member stated that he wished to defer consideration on this matter by the Board pending service-to-service conferences regarding Royal Canadian Air Force proposals which he felt would meet substantially the United States requirements with respect to amendments in Recommendation 51/4.

The Canadian Chairman emphasized the difficulties in obtaining the Canadian Government's concurrence to changes in Recommendation 51/4 unless there was assurance of prompt action in handling complaints which might arise. He recognized the possibility of unfortunate incidents on both sides of the border which would require corrective measures and disciplinary action. Responsiblity in such cases would lie with the air defense commanders of the two countries. However, the Canadian Chairman felt that it would be helpful if the Board arranged to receive reports from air defense commanders regarding the action taken in cases where there was a breach of regulations concerning the method of interception. These reports could be followed and discussed by the Board. He felt that this action of the Board might alleviate unfortunate repercussions in public opinion on both sides of the border if serious incidents occurred.

The Board agreed to consider the suggestion of the Canadian Chairman at a later date after the two Air Forces had reached a decision on the technical aspects of the interception agreement.

SECTION E

COMMANDEMENT DU NORD-EST
NORTHEAST COMMAND

698. DEA/50221-40

Note de la IIe Direction de liaison avec la Défense pour la Ire Direction de liaison avec la Défense

Memorandum from Defence Liaison (2) Division to Defence Liaison (1) Division

SECRET Ottawa, January 20, 1952

MEMORANDUM FOR MR. MACKAY

COMMAND RELATIONSHIPS — U.S. NORTH EAST COMMAND

With reference to our discussion about two weeks ago I attach a JPS[11] redraft of the paper entitled "Basic Provisions for Canada-U.S. collaboration on Defence in the North Eastern Areas of Canada."† The original was drawn up in February 1951 at a meeting between General Whitten[12] and the Joint Services Committee (East Coast).

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[11] Joint Planning Staff.

[12] Commandant en chef des forces terrestres des États-Unis, commandement du Nord-Est. Commander-in-Chief, Northeast Command, United States Army.

In approving the current Canada-U.S. Emergency Defence Plan (MCC 300/3) on December 18, 1951, the Chiefs of Staff observed that

"The U.S. Joint Chiefs of Staff should be advised that since CINCNE had been specifically excluded from the Command Principles (Appendix F) the Command relationships between CINCNE[13] and Canadian Commanders, which have not yet been negotiated, should be taken under consideration as soon as possible."

The JPC subsequently approved, on January 3, a signal to CJS(W) suggesting that this question be discussed at the next meeting of the MCC.[14] The U.S. section of the MCC have agreed but noted that at the meeting of the PJBD in November, 1951, the U.S. Chairman had made an informal suggestion to the Canadian Chairman that the question of Canadian Participation in the North East Command should be discussed.

At yesterday's meeting of the JPC the attached paper was tabled as a possible basis for discussion at the MCC meeting which begins next Monday at Petawawa.† It was agreed that unless there was general satisfaction and agreement with the paper it would not be presented.[15] Mr. Glazebrook would appreciate your views by tomorrow, if possible, as to whether this paper is a satisfactory basis for discussion with the U.S. section MCC or whether it would be better to inform them that the question is still under consideration and invite some discussion. In either event, would you consider it useful to have a discussion with the service members of the JPC later this week.[16]

J.M. COOK

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[13] Commander-in-Chief, Northeast Command.

[14] Military Cooperation Committee.

[15] Note marginale :/Marginal note:

agreed preferable to keep off MCC agenda next meeting. R.A. M[ackay]

[16] Notre copie du document porte la mention manuscrite suivante :

The following was written on this copy of the document:

P.S. AVM [Air Vice Marshal] James has just returned from a meeting in the U.S. with General Whitten and other U.S. Air Defence Commanders. No agreement was reached on this particular problem. I understand that James proposed something in the nature of an integrated Air Defence Command of North America with himself as Deputy responsible for all Air Defence Forces in Canada. The U.S. Northeast Air Defence Commander would be subordinate to James. General Whitten pointed out that he might have to deploy forces to Greenland which would create complications for both of them. I also understand, as you may know, that Whitten has no air defence forces in Newfoundland yet. It seems that AVM James and RCAF HQ are not agreed on this problem either. J.M. C[ook]

699. DEA/50221-40

Extrait de la note de la II^e^ Direction de liaison avec la Défense

Extract from Memorandum by Defence Liaison (2) Division

SECRET Ottawa, March 6, 1952

GENERAL FOULKES' BRIEFING MEETING OF MARCH 6, 1952

U.S. NORTHEAST COMMAND

Commodore Raynor[17] referred to the letter from this Department requesting reconsideration of the JPC paper "Basic provisions for Canada-U.S. Collaboration on Defence in the Northeastern areas of Canada" before its submission to the Chiefs of Staff Committee. General Foulkes expressed the opinion that the Government would never accept a policy giving the U.S. responsibility for defence in this area nor did he think the Government would accept the idea of a Canadian as assistant to General Whitten. He confirmed our view that the U.S. Northeast Command was not accepted as a territorial command but merely as a command for the U.S. forces in the area. He suggested it might be necessary to put a Canadian Commander in Newfoundland with whom General Whitten could deal. Any instructions to civilians, for example to impose blackout or other regulations, must come, General Foulkes feels, from a Canadian — and not merely a Canadian assistant to Whitten. General Foulkes said we must develop some form of a cloak of Canadian control in the area. I gained the impression, though I may have been mistaken, that General Foulkes would prefer some form of integrated command such as A/V/M James has advocated.

. . .

J.M. C[OOK]

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700. DEA/50221-40

Note de la II^e^ Direction de liaison avec la Défense

Memorandum by Defence Liaison (2) Division

SECRET Ottawa, June 5, 1952

RE: U.S. NORTHEAST COMMAND

1. At General Foulkes' Briefing Meeting of June 4, he reported that he had discussed the problem of air defence in Northeast Canada with General Bradley on June 2 in Washington. According to General Foulkes, General Bradley made the following comments:

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[17] Le commodore H.S. Rayner, secrétaire du Comité des chefs d'état-major, ministère de la Défense nationale.
Commodore H.S. Rayner, Secretary, Chiefs of Staff Committee, Department of National Defence.

(1) When the terms of reference for the U.S. Northeast Command were drawn up, the question of air defence was not considered seriously. He intended to have another look at them.

(2) There were no plans at present to station air defence squadrons permanently in Newfoundland. Current plans call for the temporary deployment of fighter squadrons to Newfoundland only in conjunction with S.A.C. operations. Fighter squadrons might therefore be stationed in Newfoundland for a couple of weeks at a time.

(3) He could see no major difficulty in including any fighter defence forces assigned to U.S. Northeast Command in the General Air Defence system.

(4) He would be prepared, if necessary, to fly to Ottawa and/or Newfoundland to settle the problem on the spot.

(5) He agreed with General Foulkes that the Commanding General U.S. Northeast (Air) Command should not give orders to the Civil population on such matters as blackout etc. This was a matter for Canadian Commanders.

2. General Foulkes then expressed the view that the problem can be solved easily at the Chiefs of Staff level. He was then queried by Colonel Kingstone re the paper now being prepared by the R.C.A.F. as a result of direction given at the CSC meeting on May 30. He agreed that it should be completed and used at the forthcoming meeting of the PJBD. He also said he would send a copy directly to General Bradley with a note referring to their conversations on the subject.

3. I have the following comments to make with reference to General Foulkes' report:

(1) General Bradley's statement that he does not know of any plans to station fighter defence squadrons permanently in Newfoundland is at variance with indications received through the PJBD at its last meeting and in connection with plans under discussion for the development of Torbay Airport.[18]

(2) General Foulkes was rather vague as to what he or General Bradley meant in saying that fighter defence forces assigned to the U.S. Northeast Command would be included in the Air Defence System. Some officers attending the briefing thought he meant that they would be put under the Canadian Air Defence Commander and others that they could be put under the U.S. Continental Air Defence Commander. It seems to me that a clear definition of existing arrangements for air defence cooperation between Canada and the United States is required. The arrangements are quite often referred to as an integrated system or concept which as far as I know, does not exist. Perhaps the R.C.A.F. paper now being prepared will clarify this point.

(3) After speaking to Mr. MacKay I spoke to Colonel Kingstone re the procedure for bringing the proposed R.C.A.F. paper to the attention of the U.S. authorities. I explained to Colonel Kingstone that External considered it

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[18] Note marginale :/Marginal note:

Not necessarily. Torbay may be merely as an occasional fighter base for protection SAC operations. R.A. M[ackay] necessary to *at least* show the paper to Mr. Pearson and Mr. Claxton first. I presume that General McNaughton should also be informed before General Foulkes refers anything directly to General Bradley. I shall keep in touch with Colonel Kingstone to ensure that no action is taken without our knowledge.

4. On the whole, I do not consider that a solution to the problem can be found as easily as General Foulkes and General Bradley seem to think.[19]

J.M. COOK

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701. DEA/50221-40

Le secrétaire du Comité des chefs d'état-major au sous-secrétaire d'État par intérim aux Affaires extérieures

Secretary, Chiefs of Staff Committee, to Acting Under-Secretary of State for External Affairs

SECRET Ottawa, July 23, 1952

RELATIONSHIP BETWEEN CANADIAN MILITARY AUTHORITIES AND THE COMMANDER-IN-CHIEF, U.S. NORTHEAST COMMAND[20]

1. Reference is made to your letter of 22 July, 1952† commenting on the revised paper on the above mentioned subject.

2. I attach a copy of the paper which was submitted to the Minister of National Defence for his comments and discussion with the Secretary of State for External Affairs.

3. The Chairman, Chiefs of Staff intends, if the paper receives the approval of Mr. Claxton and Mr. Pearson, to use the paper as a basis for informal discussions with General Bradley. If General Bradley agrees with the Canadian views expressed in the paper the Chairman, Chiefs of Staff, intends that the matter be taken up formally by the Permanent Joint Board on Defence.[21]

J.F.M. BELL W/C
for R.G. Kingstone
Lieutenant-Colonel

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[19] Note marginale :/Marginal note:
I quite agree. R.A. M[ackay]

[20] Note marginale :/Marginal note:
Copy sent to Mr. Pearson with memo. July 21. M. W[ershof]

[21] Note marginale :/Marginal note:
N.B.

[PIÈCE JOINTE/ENCLOSURE]

Étude révisée

Revised Paper

SECRET

RELATIONSHIP BETWEEN CANADIAN MILITARY AUTHORITIES AND THE COMMANDER-IN-CHIEF UNITED STATES NORTHEAST COMMAND

1. The purpose of this paper is to clarify the Canadian position regarding the relationship between the Canadian military authorities and the Commander-in-Chief United States Northeast Command in order that discussions may take place with the United States military authorities relative to the air defence of the Northeastern areas of Canada and other military matters.

2. In October 1950 the United States Newfoundland Base Command was changed to a unified command designated the United States Northeast Command. The responsibilities of this command proposed by the United States Joint Chiefs of Staff and agreed to by the Canadian Government are as follows:

(a) The proposed command will be established as a unified command for the purpose of facilitating planning and the tactical employment of United States forces assigned to the command.

(b) The missions assigned to this command will be in consonance with the following two principles:

(i) maintenance of the security of the United States forces concerned;

(ii) planning in concert with the Canadian forces for the defence of such parts of North America and the sea and air approaches thereto as may be agreed upon from time to time by the Governments of the United States and Canada.

3. General Henry, the Chairman, U.S. Section Canada-U.S. Permanent Joint Board on Defence, explained in a letter dated November 9, 1951 that, from the U.S. Joint Chiefs of Staff viewpoint, U.S. Northeast Command was:

> To provide a more direct operational control by the Joint Chiefs of Staff over U.S. forces on bases in Canada and Greenland and to facilitate the development of joint U.S.-Canada plans and surveys necessary for use in an emergency. The command is not territorial and its primary functions are associated with the support of a Strategic Air Command and the Military Air Transport Service. At present, there are no combat forces indicated for allocation to the command. For the future, the combat forces indicated for allocation to the same are U.S. Air Defence and Base Defence forces.

4. In February, 1951, a meeting was held in Halifax attended by the Commander-in-Chief, United States Northeast Command, the Canadian Joint Services Committee/East Coast and other American and Canadian officers. It was agreed that planning between Commander-in-Chief United States Northeast Command and the appropriate Canadian commanders should be

commenced and to provide a basis for this planning, a paper entitled "Basic Provisions for Canada-U.S. Collaboration of Defence in the Northeastern Area of Canada" was drawn up. This paper was forwarded to the United States Joint Chiefs of Staff and the Canadian Chiefs of Staff for approval.

5. It is understood that the paper was acceptable to the United States authorities and that Commander-in-Chief United States Northeast Command is using it as his guide pending notification of Canadian approval.

6. However, the paper is not acceptable to the Canadian authorities, chiefly from a political viewpoint. The main objection is to that portion which would give to Commander-in-Chief United States Northeast Command, the area defence of the Newfoundland-Labrador area and the northeast approaches to the U.S. and Canada. The political objection, of course, is to a United States commander directly under the U.S. Joint Chiefs of Staff, being responsible for the defence of a considerable portion of Canadian territory.

7. Informal discussions have taken place between Commander-in-Chief United States Northeast Command, the Air Officer Commanding Canadian Air Defence Command, and the Commander-in-Chief, United States Air Defence Command, and the subject has been under consideration in Ottawa for some time in an attempt to find some solution that would meet the requirements of the United States Joint Chiefs of Staff and at the same time be politically acceptable to the Canadian Government.

8. The whole problem lies in air defence. The Air Officer Commanding Canadian Air Defence Command, has been delegated the responsibility for the air defence of Canada. However, the Commander-in-Chief United States Northeast Command will have in Canada under his command radar stations and an air defence control centre and may have fighter squadrons and anti-aircraft guns. Because of the nature of air warfare, air defence cannot generally be confined to particular boundaries and cannot be restricted to relatively small areas as can be land forces. Therefore, even if these fighter squadrons were employed only for the defence of leased bases and other bases occupied by the Commander-in-Chief, United States Northeast Command's forces, they could not help but provide air defence of portions of Canada while defending their own bases.

9. The general plans for the air defence of Canada and the United States are contained in the Canada-United States Emergency Defence Plan MCC 300/3 dated 1 June, 1951 and also in the Canada-United States Regional Short Term Plan CUS 3/1 dated 24 October, 1951, both of which have been approved by the two countries. In these plans, it is stated that the air defence systems of Canada and the United States will be coordinated. The command principles in these plans state any forces of either country will operate under a commander designated by the country in which the forces are serving, that is, Canadian and United States forces operating in Canada would come under a commander designated by Canada. Further it should be noted that the agreement between Canada and the United States concerning the installation of radar stations as part of the continental air defence system was drawn up on the basis that these stations would form part of a coordinated Canada-United States air defence

scheme. U.S. Northeast Command is at present not included in these agreements.

10. The strategic concept of MCC 300/3 states that forces will be deployed to afford protection for as many of the essential elements of the war making capacity as the forces allocated will permit and accept the risks involved in leaving some critical areas unprotected. "The Goose Bay-Stephenville-St. John's Area" is one of the critical areas listed to be protected, but under the emergency plan, the only air defence unit allotted is one Canadian anti-aircraft battery. However, at the March 1952 meeting of the Permanent Joint Board on Defence, the United States Air Member reported that the United States wished to send one squadron of 25 jet interceptor aircraft to Torbay for the defence of the area.[22]

11. It is considered that action should be taken to find a solution to this problem which would be satisfactory both to the United States and to Canada and which would permit the respective American and Canadian commanders to coordinate their plan.

12. It is, therefore, proposed that:

(a) all air defence forces in Newfoundland and Labrador be brought into the coordinated Canadian and United States air defence system and receive operational direction and control from the appropriate Air Defence Command;

(b) as suggested by the Chairman, United States Section, Permanent Joint Board on Defence, an RCAF officer be accredited to the Headquarters of the Commander-in-Chief, United States Northeast Command. This officer would keep the Commander-in-Chief United States Northeast Command informed of Canadian views to any defence arrangements contemplated by the Commander-in-Chief United States Northeast Command. On matters concerned with air defence, this officer would be responsible to the Air Officer Commanding, Air Defence Command. He would also be responsible for advising the Canadian civilian authorities of the air raid warning status and dealing with Canadian civil air defence authorities on all air defence matters.

13. This would not involve the United States in making any commitments to provide forces or in undertaking any responsibility for the air defence of Canada with the United States forces except that of passing on early warning information of unidentified or enemy aircraft to the adjoining sections of the Canadian air defence system and assisting in the air defence of the area with such forces as were available at the time to the maximum extent possible. Such operations would also assist in defending Canada and the United States from air attack through the area in which the Commander-in-Chief United States Northeast Command's forces are located.

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[22] Notre copie du document porte la mention manuscrite suivante :
The following was written on this copy of the document:
It is not yet clear whether the U.S. wish to send these aircraft to Torbay in peacetime.

702. DEA/50221-40

Le ministre de la Défense nationale
au secrétaire d'État aux Affaires extérieures

Minister of National Defence
to Secretary of State for External Affairs

SECRET Ottawa, August 8, 1952

My dear Colleague,

Attached is a memorandum dated July 23,[23] from the Chairman of the Chiefs of Staff, enclosing a paper on the relationship between Canadian military authorities and the Commander-in-Chief, United States Northeast Command.

As you will see from the memorandum, General Foulkes proposes to discuss this matter informally with General Bradley.

I would be glad to have your views on this. After they have been considered, I think we should seek the direction of the Cabinet Defence Committee before instructing General Foulkes to proceed with his discussions.

At this time consideration should be given again to the question of having a U.S.A.F. fighter squadron in Newfoundland. Personally, I would rather see an R.C.A.F. squadron there, even if this meant reducing our commitment to NATO by one, or weakening the air defence of some other part of Canada. I realize, however, that there is more involved in it than this. The main object of having the squadron there would be to protect the U.S.A.F. in carrying out the role which is exclusively assigned to it.

Yours sincerely,

BROOKE CLAXTON

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703. DEA/50221-40

Le secrétaire d'État aux Affaires extérieures
au ministre de la Défense nationale

Secretary of State for External Affairs
to Minister of National Defence

PERSONAL Ottawa, August 15, 1952

My dear Colleague,

I have read with much interest your letter of August 8 and the attached memorandum, dated July 23, from the Chairman of the Chiefs of Staff dealing with the relationship between Canadian military authorities and the Commander-in-Chief, United States Northeast Command.

The paper attached to the memorandum proposed a solution to the complicated problem of responsibility between the two countries for air defence, a problem which does not seem to exist in the same way in regard to army and naval relationships. I understand that this paper, if it were approved, would be used only as a basis for discussion with the United States authorities and that any decision on the air defence problem would permit a satisfactory re-drafting of the draft agreement drawn up in February, 1951, entitled "Basic Provisions for Canada-U.S. Collaboration on Defence in the Northeastern Areas of Canada."

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[23] Voir le document précédent./See preceding document.

The actual proposals to deal with this problem are found in paragraph 12 (a) and (b) of the paper. Paragraph 12 (a) seems to me to be somewhat vague in its reference to the "Co-ordinated Canadian and United States Air Defence System" and "the appropriate Air Defence Command." I understand that the former refers to a working arrangement based on a number of separate agreements concerning specific air defence activities and is not clearly defined in any single document. As, therefore, there seems to be no formal "System" in existence, might it not be misleading to use that term in any future bilateral agreement concerning our relations with United States Forces in Newfoundland? Possibly the phrase "Co-ordinated Canadian and United States Air Defence Systems" might more accurately describe the existing position.

So far as the phrase "the appropriate Air Defence Command" is concerned, would it not be advisable, in order to avoid any subsequent misunderstanding, to spell out what we mean by the term; especially as CINCNE is at present specifically excluded from the command principles of the Canada-U.S. Emergency Defence Plan.

I understand that in the discussions leading up to this paper, representatives of this Department have expressed the view that it would appear that we are really leaving to the United States effective responsibility for the air defence of Newfoundland, and that if this is so, we should know exactly where we stand and what we are doing. General Foulkes has, I believe, denied that this view was correct, adding that the United States was itself unwilling to accept such responsibility. I retain the feeling, however, that the trend of development is in this direction and this feeling is increased by the possibility that U.S. fighter defence forces will be stationed in Newfoundland for the defence of the leased bases in peacetime and, presumably for the support of Strategic Air Command operations in the event of war. I do not see how you can draw a line between air defence of the leased bases and the defence of Canadian territory, and I for one would be worried about a development of this kind at a time when we are sending RCAF fighter squadrons to Europe. I, therefcre, agree with the observation which you make on this matter in the last paragraph of your letter, and also that not only the specific proposals of the memorandum prepared by the Chiefs of Staff should be considered by Cabinet Defence Committee, but also the larger question of the U.S. role in the air defence of Newfoundland, and possibly as well the arrangements for ground defence of that area.

Yours sincerely,

L.B. PEARSON

704. DEA/50221-40

Note du sous-secrétaire d'État adjoint aux Affaires extérieures pour le secrétaire d'État aux Affaires extérieures[24]

Memorandum from Assistant Under-Secretary of State for External Affairs to Secretary of State for External Affairs[24]

SECRET [Ottawa,] September 30, 1952

SOME IMPRESSIONS ON VISITING DEFENCE INSTALLATIONS IN NORTHEASTERN CANADA

During the week of September 22 the PJBD visited the U.S. bases in Newfoundland as well as Torbay and Goose Bay. The following are some of my personal impressions and some observations on our relations with the U.S. in this area.

1. Perhaps the strongest impression one gains on a visit to the bases is that of an *immense U.S. defence effort in the area*. Construction is going on at all the leased bases and at Torbay and Goose Bay as well. Although we have not given formal approval to the establishment of an airhead at Torbay, the U.S. Northeast Command has gone ahead with building new warehouses and barracks blocks at Pepperell, apparently on the assumption that we will approve the establishment of the airhead.[25] We have leased a number of buildings to them at Torbay on a yearly basis subject to thirty days notice and have permitted them to make alterations on these buildings. The alterations on many buildings are very substantial and are of a semi-permanent or permanent character rather than merely temporary. (They are apparently able, under their Treasury regulations, to make improvements of existing facilities even without a long-term lease.)

At Argentia construction appears to be largely in the form of making temporary buildings erected in wartime more permanent but the Navy has large plans for building such things as ammunition dumps and other permanent improvements. McAndrew (which is really part of the single area leased at Argentia) now houses units of the USAF and the Navy is anxious to push them out with a view to making the base ready for occupancy by Navy units immediately in the event of war.

A vast amount of construction is going on at Harmon to make the base into a SAC support base rather than merely a staging field as it has been formerly. Much of the construction during the war was of a permanent character. Temporary buildings are now being made permanent. In addition, the main runway is being extended to 10,000 feet (8,000 feet will be paved this year) and a secondary runway is being extended to about 9,000 feet. Heretofore, ships had to anchor in the bay about two miles out, cargoes being lightered in to a small temporary dock. Plans for next year provide for a thirty-foot channel into the base, cutting a channel into a small lake on the base and the construction of warehouses and docks sufficient to handle two large ships end-to-end. A breakwater to deflect ice has already been constructed and it is thought that Harmon can be kept open all year round.

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[24] Notre copie du document porte la mention manuscrite suivante :
The following was written on this copy of the document:
copy handed by me to Mr. Pickersgill. L.B. P[earson]

[25] Au sujet des discussions sur l'établissement d'une tête de pont aérienne pour le commandement du Nord-Est, voir les documents 735-742.
For discussion of establishment of airhead for Northeast Command see documents 735-742.

At Goose runways have already been lengthened, one to 10,000 feet. Hard-stands that can take the heaviest bombers, taxi runways, fuel and other storage facilities, have been constructed, hangars and machine shops are under construction and a lot of housing has been completed. My recollection is that appropriations for Goose for the two-year period ending 1953 are of the order of $63,000,000.

In addition to the air bases a number of radar sights, [sites?] as permitted under the radar agreement, are under construction. These are on quite an elaborate basis.

2. A second impression is the *vested interest of the Newfoundlanders in U.S. activities*. There is a great deal of civilian employment at all the bases, both in construction and on a permanent basis. At Harmon we were told there were 3,200 civilians of which close to 2,800 were Canadians. At Pepperrell about 600 are employed permanently and at McAndrew over 400. At the time the renegotiation of the bases agreement was under discussion the Americans were pressed to purchase as much as they could in Canada. Local procurement in St. John's largely for consumption in Newfoundland, although in part for consumption in the Greenland bases, now runs to about $4½ billion yearly. There is also considerable spending by military personnel. I have never seen St. John's look more prosperous and a good deal of this prosperity is undoubtedly due to U.S. defence activities. The U.S. bases are clearly, from the economic point of view, the largest industry in Newfoundland.

3. The increasing investment in defence installations in Newfoundland and the growing importance of such bases as Harmon and Goose in strategic air operations has clearly made *all the bases very much more important targets than they were*. The U.S. Northeast Command is very conscious, perhaps unduly conscious, of this, and with Pentagon approval, are actively planning defence facilities. Plans call for the stationing of five fighter squadrons in the Northeast area (two at Goose, one at Torbay or, alternatively, Argentia, one at Harmon and one in the north either at Thule or Frobisher.) The Navy were not forthcoming about their defence plans for Argentia but obviously they have something in mind. In addition they mentioned stationing in the area two anti-aircraft battalions and at least two heavy anti-aircraft batteries. Although the deployment of these forces was not very clear, it was evident that they intend some for Goose.

4. In comparison with U.S. activities in this area, our defence activities are virtually non-existent. We have no defence forces at Torbay or Gander and, although the RCAF are nominally in control of Goose, their establishment there is concerned with little more than housekeeping. In St. John's we have a

Joint Staff which I would guess now numbers less than one hundred officers and men.

5. I have come to the conclusion that by dealing with the U.S. on a piecemeal basis, as we have been doing, we are at a serious disadvantage. Although the MCC theoretically has a voice in planning, the Americans do not tell us through this channel all they are planning for the Northeast Command. At most, and then not very precisely, the MCC merely records some forces to be deployed there. The Canadian section appears to have no voice at all in determining requirements for the area. In large measure this situation of course stems from the fact that the U.S. Northeast Command is primarily concerned with facilitating and protecting operations by SAC and U.S. air communications with Europe and Greenland. These are U.S. responsibilities under NATO, not Canadian, and we cannot very well say what requirements are appropriate for fulfilling these responsibilities. On the other hand, defence of these facilities spills over into defence of the whole area so that indirectly U.S. forces defending U.S. facilities in the Northeast area are defending Canadian territory.

There is perhaps no completely satisfactory solution to the problem but we might have more control:

(a) if we were prepared to station forces in the area or at least to put them in there immediately in the event of emergency. The only force we have earmarked for the whole area (other than naval and air forces concerned with convoy operations) is an anti-aircraft unit (I think, a reserve unit). The guns for this unit are stored at Goose but are not equipped with new radar sighting and fighting mechanisms while the personnel is located in central Canada.

(b) We might also consider a Unified Command in which specified functions would be allocated to Canada or put under Canadian command. We could hardly ask for participation in command without being prepared to put in some effective forces. A Unified Command would also give us a more effective voice in planning. Further, if it were a NATO Command we would get credit in NATO circles for any forces earmarked for defence of the Northeast.

R.A. M[ACKAY]

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705. DEA/50221-40

Le secrétaire d'État aux Affaires extérieures
au ministre de la Défense nationale

Secretary of State for External Affairs
to Minister of National Defence

SECRET Ottawa, October 3, 1952

My dear Colleague,

In recent correspondence you expressed your concern about the expanding U.S. defence activities in Northeastern Canada. I fully share your concern and think the situation which is developing there is one which requires urgent attention.

I do not suggest that the U.S. authorities have gone beyond their rights under the Leased Bases Agreement of 1941 or other arrangements which we have made, or that their activities in the northeastern area of Canada are unwarranted in the light of the current international situation. I recognize also that the U.S. has special responsibilities under NATO for the strategic air arm and that Canada, along with other NATO members, is under obligation to facilitate the fulfilment of these responsibilities. I think you will agree with me, however, that we should not be oblivious to the serious political implications arising from the extent and character of U.S. defence activities in Northeastern Canada.

Perhaps the questions of most immediate concern are those of defence of the area and command of defence forces deployed there. Under the Leased Bases Agreement, the U.S. has clearly broad powers of local defence of the bases including emergency powers to take action outside the leased areas. The recent proposal of the U.S. to station an interceptor squadron at Goose Bay has raised the question of defence of the complex of defence facilities located in that area. Under conditions of modern warfare, it would seem impracticable to restrict the exercise of defence rights to a leased area or base. In any event I doubt if the U.S. would be prepared to confine its defence activities in the northeast to areas under its exclusive control. It would seem therefore that in fact U.S. defence forces deployed in the area will, indirectly, participate in the defence of Canadian territory outside areas exclusively under U.S. control.

This situation seems to me to pose two important questions: first, whether we should not consider stationing more Canadian forces in the area; secondly, whether we should not consider proposing to the U.S. the establishment of a combined command for the defence of the area, possibly with a Canadian commander. We could scarcely expect the U.S. to agree to a combined command, and much less a Canadian commander, unless we were prepared to contribute substantially to the total forces assigned to the defence of the area.

A third question might also be worth consideration — whether, assuming a combined command were established, it should not be a NATO command. Such an arrangement would have the obvious advantages that we could probably more easily justify U.S. activities in the area to the Canadian people and we could get credit in NATO for forces allocated to such a command. There would no doubt be disadvantages to establishing a NATO command, and these may well outweigh the advantages. Nevertheless, the question would appear to be worth examination.

I understand that the Journal of the last meeting of the PJBD is on the agenda for the next meeting of the Cabinet Defence Committee. It occurs to me that this might be a convenient occasion to raise in a general way questions about the northeast such as I have suggested above. If you have no objection, I therefore propose to raise them at the forthcoming meeting. It would, of course, be premature for the Cabinet Defence Committee to reach any decision at this time on such questions but if the Committee feels they are worth further examination, the Chiefs of Staff Committee might be asked to study them and report back at an early meeting of the Defence Committee.

Yours sincerely,

L.B. PEARSON

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706. DEA/50209-40

Note du secrétaire d'État aux Affaires extérieures pour le Comité de la défense du Cabinet

Memorandum from Secretary of State for External Affairs to Cabinet Defence Committee

SECRET Ottawa, October 3, 1952

U.S. MILITARY ACTIVITIES IN THE NEWFOUNDLAND AREA

I wish to draw to the attention of the members of the Committee the discussion reported in Sections 10 and 11 of the Journal of the Permanent Joint Board on Defence of September, 1952,[26] (copies of which have been circulated)† with respect to Goose Bay and Torbay, which have a bearing on the general problem of U.S. military operations in the Newfoundland area. The discussions at the September meeting of the PJBD are summarized as follows:

1. *Goose Bay*

The Canadian Chairman drew attention to the necessity of planning on a joint basis at all stages in the development of Canadian-U.S. defence arrangements. He then pointed out that the recent statement of intention by the U.S. Air Force to base an interceptor squadron at Goose Bay for the local defence of the base indicated that the Canadian interpretation of the proposed Goose Bay lease did not accord with that of the United States. He thought that the difficulty had arisen primarily through the lack of any joint study on the forms and scale of attack to which Goose Bay might be subjected and to the absence of any agreement on the defensive measures required. He pointed out that there was at present no authority for the stationing of USAF interceptor aircraft in Canada other than at the 99-year leased bases. He suggested that even in the case of the leased bases it would be advantageous if the U.S. Government were to inform the Canadian Government through diplomatic channels of important changes which might be contemplated in the numbers, types and roles of units located there. He reiterated his view that Canada found it difficult to approve U.S. proposals because of lack of knowledge of the specific requirements and what these requirements were based upon. He proposed that the appropriate joint planning agencies make a detailed study of the military needs in the Northeast area of Canada and how they might be met.

The External Affairs member suggests that, in order to remove doubt as to the meaning of the Goose Bay lease, an interpretation might be recorded through an appropriate procedure which would make it clear that, notwithstanding rights granted to the United States under the lease, arrangements for the sea, air and land defence of the Goose Bay area should be the subject of separate discussion and agreement between the two Governments.

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[26] La réunion de la Commission eut lieu du 21 au 26 septembre 1952.
The Board met from September 21-26, 1952.

The U.S. Chairman said that the U.S. Section would refer the Canadian position to the appropriate U.S. authorities for their consideration. He urged that the External Affairs member's suggestion of an interpretation regarding defence should be broadened to define more precisely the authority of the United States to station operational units at Goose Bay either for local defence or for other purposes.

2. *Torbay*

The United States has proposed the expansion of facilities at Torbay to provide for:

(a) a fighter squadron;
(b) an airhead for depot and base support;
(c) MATS LOC (Military Air Transport Service Line of Communication) — (peace and war); and
(d) Airways and Air Communications Service (AACS) and weather detachments.

The Canadian Chairman stated that while the briefings presented at U.S. Northeast Command Headquarters had been useful, Canada would have been in a much better position to consider the U.S. proposal if Canadian military planners had participated in the staff studies leading to the proposal and as a consequence were familiar with the considerations which had led to the stated conclusions. He pointed out that the U.S. had been energetically developing facilities at Torbay although the lease for the buildings which they were occupying was for one year only and subject to termination on 30 days notice, and although the Canadian Government had previously indicated that it was most reluctant to increase the scale of U.S. activities in the St. John's area with respect to the location of an interceptor squadron at Torbay. He considered that the approval of the Canadian Government was dependent upon the prior agreement by the U.S. and Canadian Chiefs of Staff that this was necessary to meet the defensive requirements of the area. When or if such an agreement was reached by the Chiefs of Staff Canada would be in a position to determine whether it would prefer to provide the necessary forces itself or to permit the United States to do so.

The U.S. Chairman emphasized the attitude of the United States that all military agencies should as far as possible be in a state of readiness. In short, the United States was endeavouring to be in a position whereby it was ready for "action at the drop of a hat." This meant that essential defence forces must be "on station" now, rather than brought in after the outbreak of hostilities.

At the request of the Canadian Chairman it was decided that the essential information, upon which the United States based the view that it was not feasible to locate the facilities proposed for Torbay at one of the leased bases, should be provided by the U.S. Section in the form of two memoranda, one dealing with the airhead and the other with the interceptor squadron.

L.B. PEARSON

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707. DEA/50221-40

Extrait du procès-verbal de la réunion du Comité de la défense du Cabinet

Extract from Minutes of Meeting of Cabinet Defence Committee

TOP SECRET Ottawa, October 9, 1952

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IV. *Permanent Joint Board on Defence; Journal of September 1952; U.S. Forces in Newfoundland; Goose Bay Lease*

18. *The Secretary* submitted the Journal of the Permanent Joint Board on Defence for September, 1952.†

19. *The Secretary of State for External Affairs* said that he had shared with the Minister of National Defence serious concern over the problems arising from the development of plans of the U.S. forces in Newfoundland. It appeared that the U.S. Navy wished to take over from the U.S. Air Force, McAndrew Air Force Base, and that the U.S.A.F. wished to develop substantial new airhead facilities at Torbay. The U.S.A.F. had also referred to plans for the stationing of four squadrons in the Newfoundland area, two at Goose Bay, one at Harmon Air Force Base and one at Torbay. In particular substantial development of facilities at Torbay in the area of St. John's would have far-reaching consequences. It would be necessary to consider whether it would be desirable to station more Canadians in the area of these U.S. activities and possibly to establish some form of combined command. Combined command would, of course, be practicable only if the present Canadian forces in Newfoundland were increased. He had also suggested that consideration might be given to a third course, the creation of a NATO command. He thought that the public might find it difficult to understand why Canada was sending 12 squadrons to Europe while the United States was sending four into Canada.

An explanatory memorandum had been circulated.

(Minister's memorandum, Oct. 3, 1952 — "U.S. military activities in the Newfoundland area" — Cab. Doc. D-363)

20. *The Minister of National Defence* said that the Canadian Section of the P.J.B.D. was now awaiting information from the U.S. Section which was to be submitted in justification of the U.S. desire to build and maintain an airhead at Torbay and to station an interceptor squadron there.

21. *The Prime Minister* said that it was important that we should maintain in Canada only those forces which the Chiefs of Staff considered necessary. Once the necessity of maintaining any military facilities in Canada had been

established, it would then be necessary for us to decide by whom and in what manner those facilities should be provided.

22. *Mr. Pearson* recalled that a lease of part of the R.C.A.F. station at Goose Bay had been approved by Cabinet on February 21st, 1951. Signature had been postponed in order that it might be considered whether the proposed agreement by implication would give to the United States the right to station fighter squadrons for the air defence of the base. Since there was some doubt about the meaning of the proposed lease in this connection, he thought that it would be desirable to record the understanding of the Canadian government that the lease agreement did not make any provision for the defence of Goose Bay and that arrangements for defence should be the subject of discussion and agreement between the two governments.

An explanatory memorandum had been circulated.

(Secretary's memorandum, Oct. 8, 1952 — "Background note: Goose Bay lease" — Cab. Doc. D-364)†

He said that it had always been the Canadian view that there should be joint agreement on the defence of Goose Bay. Our views could be clarified either by an amendment to the lease or by a separate exchange of notes; the second course seemed more satisfactory.

23. *The Committee*, after further discussion:

(a) noted the Journal of the Permanent Joint Board on Defence of September, 1952;

(b) noted the report of the Secretary of State for External Affairs on U.S. military activities in the Newfoundland area;

(c) agreed that the Secretary of State for External Affairs be authorized to conclude an exchange of notes with the United States constituting a lease of part of the R.C.A.F. station at Goose Bay: the exchange of notes to be accompanied by a separate note stating that it is the understanding of the Canadian government that the lease agreement does not apply to any arrangements for the defence of Goose Bay or other new developments which would continue to be dealt with by the appropriate agencies of the two governments.

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708. DEA/50221-40

Note du sous-secrétaire d'État aux Affaires extérieures pour le ministre de la Défense nationale

Memorandum from Under-Secretary of State for External Affairs to Minister of National Defence

SECRET Ottawa, October 22, 1952

COMMAND ARRANGEMENTS IN NEWFOUNDLAND

1. Annexed for convenient reference are copies of the following papers:

(a) extract from the Journal of the September 1952 meeting of the PJBD (Section 10 and 11) dealing with this subject;[27]

(b) a copy of Mr. Pearson's letter to you dated October 3, in which he suggested that the Chiefs of Staff might be asked to study the possibility of establishing a combined command, perhaps a NATO command in the Newfoundland area;

(c) extract from the minutes of the 89th meeting of the Cabinet Defence Committee [October 9, 1952] (paragraphs 18-22) dealing with this subject.

2. I think there is general agreement that our defence position vis-à-vis the United States in the north-eastern area of Canada is not entirely satisfactory. It seems to me that General McNaughton put his finger on the nub of the matter when, at the September 1952 meeting of the PJBD, he made a comment that so long as U.S. proposals were submitted piecemeal for consideration by the Canadian Government without any real opportunity to examine them in relation to an agreed overall plan, there would be friction and frustration. I should like to propose, therefore, as a first step in overcoming this difficulty, that you consider the advisability of directing the Chiefs of Staff to initiate arrangements to have the appropriate military agencies of the two countries carry out a study of the anticipated forms and scales of attack in this area and the forces which will be needed to meet military requirements. I assume that the military requirements would take into account the need for the defence of the area itself, of the U.S. defence installations in the area, and of the role of the area as a defensive barrier for the more populated sections of eastern Canada and the United States.

3. It seems to me that a joint study of this character is an essential preliminary to following the direction of the Prime Minister as given at the October 9 meeting of Cabinet Defence Committee, when he said that it was important that we should maintain in Canada only those forces which the Chiefs of Staff considered necessary. Once the necessity of maintaining any military facilities in Canada had been established it would then be necessary for us to decide by whom and in what manner those facilities should be provided.

4. Mr. Pearson in his letter to you dated October 3 suggested that the Chiefs of Staff might be asked to study the possibility of establishing a combined command, perhaps a NATO command, in the Newfoundland area. He also mentioned the subject at the October 9 meeting of Cabinet Defence Committee but there was no time to go into it fully and no decision was taken. It might be that such a study would be most fruitful as the second phase of an overall appreciation, the first phase of which would be the joint study of forms and scales of attack and the military measures required to meet them, as proposed in the preceding paragraph of this memorandum.

L.D. W[ILGRESS]

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[27] Les documents sous référence sont :/The documents referred to are:
a) 706; b) 705; c) 707.

709. DEA/50221-40

Extrait du procès-verbal de la réunion du Comité des chefs d'état-major
Extract from Minutes of Meeting of Chiefs of Staff Committee

[MEETING] No. 531 Ottawa, November 12, 1952

TOP SECRET

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VI. *Canadian Operational Control of US Defence Forces Operating from Bases Within Canada*

22. *The Committee* considered a message from the Canadian Joint Staff, Washington, outlining a directive from the US Joint Chiefs of Staff to the US Section Canada-US Military Cooperation Committee that they enter into negotiations with the Canadian Section for the purpose of obtaining a military agreement providing for the Canadian operational control of US defence forces operating from bases within Canada. A paper prepared by the Joint Planning Committee on this subject was also circulated.

(CSC 1796-1 of 10 November, 1952)†

23. *The Chairman* said that the Department of External Affairs had suggested in a memorandum to the Minister that the approprite military agencies in the United States and Canada carry out a study of the anticipated forms and scales of attack in the Newfoundland area. Such a study would aid the Governent in determining by whom and in what manner the necessary defence facilities should be provided.

As a result of the memorandum from the Department of External Affairs the Chairman had reviewed the problems and submitted a memorandum to the Minister in which it was recalled that a study of scales of attack had in fact been carried out and reviewed on a yearly basis. A joint study extending as far ahead as 1957 had been completed. It was on this information that the Canada-US defence plans were reviewed. It was stressed that any re-assessment of the scales of attack on any military level up to and including the Chiefs of Staff would not in any way assist in solving the present US-Canadian difficulties in the Newfoundland-Labrador area, and would no doubt lead to increased pressure from the US Chiefs of Staff for considerable stiffening of Canadian defences in accordance with the recent strategical guidance paper SG 13/23 (revised) which states:

"In 1956 the Soviet Union may have a formidable atomic potential against North America and adequate defence of this area does become essential in order to permit NATO to accomplish its objective."

It was, therefore, recommended to the Minister that no additional joint assessment of the risks and scales of attack be undertaken.

With regard to Goose Bay, it was pointed out that the US desire to base a fighter squadron there was based on the need to protect the US installations for the support of strategic operations. The need for such protection could hardly be disputed, and it was, therefore, recommended to the Minister that the USAF be permitted to continue to base a fighter squadron at Goose Bay under the same arrangements as pertaining to the American radar stations in Canada.

With regard to Torbay, a close study of the problem revealed that the all-weather fighter interceptor squadron which the US had suggested should be based at Torbay, had in fact, no intimate connection with the administrative installations such as the airhead and base depot which the US wished to establish at Torbay.

The objections to the US establishing administrative installations at Torbay were mainly political, and it was evident that the only solution acceptable for Torbay would be for the Government to refuse to change over the base from a civilian to a military airfield, and request through political channels, that the US make arrangments for the additional accommodation they require within their own leased bases.

The question of an all-weather fighter interceptor squadron to be based at Torbay should be considered in relation to the Canada-US integrated air defence scheme (Pinetree). The air defence scheme calls for radar and control units being set up in St. John's and Gander and the addition of a fighter squadron in Newfoundland is a logical step after providing the radar and control units. It was stated with some degree of certainty that the Canadian Chiefs of Staff could not, on military grounds, find suitable arguments to refute the need for extending the air defence scheme to include fighter formations in Newfoundland in view of the importance that the US place on their installations.

If the Government were to decide that the Torbay airfield would remain a civilian airfield, the USAF would have to base their fighter squadron at Argentia.

With regard to who should supply the squadrons for the extension of the Canada-US air defence scheme, it was pointed out that the commitment called for all-weather fighter interceptor and Canada would not be able to fulfil such a commitment until after 1954. It appeared, therefore, that the only possible course to present was to make similar arrangements with the US as were made for US radar stations situated in Canada, whereby the US would be allowed to provide the extra squadrons on the understanding that as and when the Canadian Government desired, it could take over the air defence roles in Canada.

Subsequent to submitting the above views to the Minister in a memorandum, US authorities had indicated informally that they were prepared to drop their request for base depot facilities at Torbay.

24. *The Chairman, Joint Planning Committee* said that a group of US officials who were at present in Ottawa discussing the matter informally, had

intimated that the USAF would be quite prepared to base a fighter squadron at Argentia instead of Torbay, if steps were taken to lengthen the runways at Torbay for its possible use by fighter squadrons in the event of an emergency.

It was also understood by the US that Canadian forces would take over the air defence of the area when the Canadian Government considered it desirable to do so.

25. *Lieutenant-General Foulkes* stated that he proposed to see the Minister and endeavour to arrange for the new US proposals to be discussed at Cabinet Defence Committee on the 14 November, 1952.

26. *The Committee* noted the remarks of the Chairman and concurred in the action suggested by him.

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710. DEA/50221-40

Note du ministre de la Défense nationale pour le Comité de la défense du Cabinet

Memorandum from Minister of National Defence to Cabinet Defence Committee

TOP SECRET Ottawa, November 13, 1952

CANADA-UNITED STATES MILITARY INSTALLATIONS IN NEWFOUNDLAND AND LABRADOR

1. The Commitee will recall the discussion at the 89th meeting of the Cabinet Defence Committee held on October 9, 1952, at which the Committee discussed the question of United States requirements at Goose Bay and Torbay arising out of the Journal of the Permanent Joint Board on Defence for September, 1952, in which the United States had submitted plans for placing fighter squadrons at Goose Bay and Torbay and for subsequent development of facilities at Torbay to provide a logistical organization to support the United States bases in Newfoundland, Labrador and Greenland.

2. Since this meeting the Chiefs of Staff have had this matter under review and have had certain informal talks with senior United States officials. The Chiefs of Staff have reviewed the United States request for the extension of the Canada-United States air defence scheme to cover the Northeast area, which includes the United States bases and United States installations at Goose Bay. It will be recalled that the present Canada-United States integrated air defence scheme includes radar and control units being set up in St. John's and Gander and the addition of fighter squadrons in Newfoundland and Labrador is the next logical step after providing the radar and control units. The Chiefs of Staff have reviewed the roles of the various United States installations and have come to the conclusion that these bases are of such importance to the implementation of the United States strategical plans that fighter defence of this area is now essential.

3. It is considered that the provision of the additional fighter squadrons for the defence of this area of Canada should ultimately be carried out by the

RCAF but owing to other commitments and the unavailability of suitable types of aircraft the RCAF will not be able to carry out these additional air defence tasks until after 1954. It is, therefore, suggested that the USAF should be allowed to carry out these air defence tasks on the condition that as and when the Canadian Government so desires, these air defence tasks in Canada will be taken over by the RCAF, and further, that the stationing of air defence squadrons in Newfoundland be restricted at present to the United States leased bases, and that any such air defence squadrons provided by the USAF should form part of the integrated Canada-United States air defence scheme, and come under Canadian operational command while operating in Canadian air space.

4. As a result of a series of informal discussions with United States officials it has now been learned that the United States authorities are prepared to agree to the following proposals:

(a) that owing to the strong position taken by Canada in regard to Torbay the United States authorities will withdraw their request for the establishment of a logistical base at Torbay;[28]

(b) that the USAF will withdraw their request for the stationing of an air defence squadron at Torbay[29] if satisfactory arrangements can be made for:

i) stationing a USAF air defence squadron at Goose Bay with the possibility that it may be extended to two at a later date,

ii) one squadron at Harmon Field, and

iii) one squadron at Argentia;

provided that the Canadian Government will give consideration to the lengthening of the runways at Torbay[30] which would allow for the use of Torbay for air defence operations in time of war, or at such time as the RCAF undertakes the air defence role in Newfoundland;

(c) the USAF have also indicated that they are prepared to place these squadrons under the operational control of the Canada-United States integrated air defence commander, and under Canadian operational control while operating in Canadian air space;

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[28] Note marginale :/Marginal note:
done in a letter dated Nov. 6 in a letter from US Chairman PJBD to Gen. McNaughton. [R.A. Mackay]

[29] Note marginale :/Marginal note:
US letter says this is under study and new proposal may be put forward. [R.A. Mackay]

[30] Notes marginales :/Marginal notes:
CDC — Nov 13/52 — this memo noted Canada should accept in principle responsibility for improving Torbay. [R.A. Mackay]
In a letter dated Nov 6 US Chairman PJBD to Cdn. [Chairman PJBD] informed that US withdraws proposals re logistical base at Torbay & is reconsidering proposal re fighter sqd [squadron] at Torbay and [therefore] that reports or memoranda on these subjects (page 19 PJBD Journal Sept 52) not necessary. [J.M. Cook]

(d) The United States authorities have further indicated that they are prepared to withdraw their squadrons as and when the Canadian Government desires to take over these roles.

5. It is expected that the Canadian officials will be meeting in the near future to discuss these proposals with the United States authorities. It is suggested that these proposals are much more acceptable than those previously put forward by the USAF and it is recommended that consideration be given to them in order that instructions can be given the Canadian officials who will be discussing this matter within the next ten days.

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711. PCO

Extrait du procès-verbal de la réunion du Comité de la défense du Cabinet

Extract from Minutes of Meeting of Cabinet Defence Committee

TOP SECRET Ottawa, November 14, 1952

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XI. *Canada-U.S. Military Installations on the Island of Newfoundland and in Labrador*

31. *The Minister of National Defence* said that the Chiefs of Staff, after reviewing the military situation on the Island of Newfoundland and in Labrador, considered it desirable that the U.S. Air Force should be allowed to carry out air defence tasks on the Island of Newfoundland and in Labrador on condition that Canada might at any time take over the responsibility and that the stationing of U.S. air defence squadrons in Newfoundland should then be restricted to the U.S. leased bases and to Goose Bay.

He also read a letter from the U.S. Chairman of the Permanent Joint Board on Defence in which he informed the Canadian Chairman that the United States wished to withdraw its request to develop an air depot at Torbay. The U.S. Chairman indicated that the stationing of U.S. fighter aircraft there was being reviewed.

An explanatory memorandum was circulated.

(Minister's memorandum, Nov. 13, 1952, "Canada-United States military installations in Newfoundland and Labrador" — Cab. Doc. D-384; Letter from Chairman, U.S. Section, P.J.B.D. to Chairman, Canadian Section, Nov. 6, 1952 — Cab. Doc. D-385)†

32. *Mr. Claxton* added that he had received information that the United States would place its fighter squadrons at Goose Bay, Harmon Field and Argentia. The United States hoped that the Canadian government would consider lengthening the runways at Torbay to make it suitable for air defence operations in time of war.

33. *The Minister of Defence Production* considered it logical that Canada should be responsible for improving the standards of Torbay airport to allow its use by jet aircraft.

34. *The Prime Minister* said that a very satisfactory solution of the problem of U.S. military activities in Newfoundland appeared to be in sight and added that General McNaughton was to be congratulated for his work on this problem in the Permanent Joint Board on Defence.

35. *The Committee*, after further discussion:

(a) noted the report of the Minister of National Defence;

(b) recommended that Canada should accept in principle the responsibility for the improvement of Torbay airport to permit its use by fighter aircraft.

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712. DEA/50221-40

Note de la Iʳᵉ Direction de liaison avec la Défense pour le sous-secrétaire d'État adjoint aux Affaires extérieures

Memorandum from Defence Liaison (1) Division to Assistant Under-Secretary of State for External Affairs

TOP SECRET Ottawa, November 14, 1952

MEMORANDUM FOR MR. MACKAY[31]

"Canada-United States Military Installations in Newfoundland and Labrador"

CABINET DEFENCE COMMITTEE PAPER OF NOVEMBER 13 (D-384)

This paper from the Minister of National Defence contains some phrases which I do not understand —

"the integrated Canada-United States air defence system;"

"the USAF have also indicated that they are prepared to place these squadrons under the operational control of the Canada-United States integrated air defence commander, and under Canadian operational control while operating in Canadian air space."

2. The structure of the "integrated Canada-United States air defence system" is not apparent from our files.

3. Do we know who is the "Canada-United States integrated air defence commander" and who gave him this job?[32]

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[31] Note marginale :/Marginal note:
Noted. W[ilgress]

[32] Note marginale :/Marginal note:
No! RCAF have been prepared to agree to an overall command but as far as I know, not the USAF. R.A. M[ackay]

4. Finally, the reference to "Canadian operational control" doesn't mean much unless it is explained how a Canadian commander is to exercise this control in Newfoundland.[33]

5. We tried once before to get from Chiefs of Staff a definition of a similar phrase, "the coordinated Canadian and United States air defence system." They replied on July 30, 1952, as follows:

"*The coordinated Canadian and U.S. air defence system* is a system of radar, communications, anti-aircraft artillery and interceptor aircraft which has been developed and coordinated to provide for the mutual protection of those vital areas of Canada and the U.S. which are contiguous."

6. I wish we could find a way to extract precise definitions from National Defence but I don't know how to do it.

M.H. WERSHOF

SECTION F

ACCORD SUR LES BASES CÉDÉES À BAIL
LEASED BASES AGREEMENT

713. DEA/10477-A-40

Le sous-secrétaire d'État aux Affaires extérieures
à l'ambassade aux États-Unis

Under-Secretary of State for External Affairs
to Embassy in United States

LETTER No. D-110 Ottawa, January 15, 1952

CONFIDENTIAL

RECOMMENDATION OF THE PJBD DATED MARCH 30, 1950
REGARDING THE LEASED BASES AGREEMENT[34]

Reference: Our letter No. D-698 of February 12, 1951, and your WA-671 of Feb. 21/51.

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[33] Note marginale :/Marginal note:

Agreed. At present the lack of effective communications would prevent Canadian AOC (Montreal) from exercising effective operational control. R.A. M[ackay]

[34] La recommendation modifia l'Accord de 1941 sur les bases cédées à bail en ce qui concerne les exemptions d'impôt sur le revenu, les privilèges dans le domaine des postes, les droits de douanes et les taxes d'accise et la juridiction des cours civiles et militaires. Les modifications permettaient de faire en sorte que les forces américaines stationnées sur les bases cédées à bail à Terre-Neuve et au Labrador puissent jouir du même statut juridique que les autres forces américaines basées au Canada.

The recommendation modified the Leased Bases Agreement of 1941 with respect to income tax exemptions, customs and excise privileges, postal privileges and the juriadiction of civil and military courts. The modifications would bring the legal status of United States forces at leased bases in Newfoundland and Labrador into line with that of American forces located elsewhere in Canada.

In February 1951, the State Department informally approved the procedure we suggested for the exchange of diplomatic notes called for by the PJBD Recommendation. There has been a long delay in carrying out this procedure because of the necessity of waiting for the enactment of the Canadian legislation called for by the Recommendation. As stated in our letter No. D-16 of January 3, 1952,[†] all the legislation has now been enacted and it is, therefore, possible to give effect to the agreed procedure.

2. The exchange of letters between the Minister of Justice and the Attorney General of Newfoundland called for by the "Jurisdiction" part of the Recommendation has just taken place. You are, therefore, authorized to give a note to the State Department in the terms of Appendix A to this letter.[†] The note conveys the assurances called for by paragraph (b) (2) of the "Jurisdiction" section of the Recommendation; the draft of this note was approved by the State Department in February 1951. It is understood that this note, and the letters exchanged between the Minister of Justice and the Attorney General, are not intended for publication.

3. When you give the State Department the note containing the assurances, will you please enquire whether there is any reason, from the U.S. point of view, against the immediate extension to Newfoundland of the Visiting Forces (USA) Act as contemplated by the Recommendation.

4. The next step will be an Exchange of Notes with the State Department for the purpose of recording the modification of the Leased Bases Agreement. Enclosed, marked Appendix B, is a draft note for this purpose.[†] It is identical in substance with the draft which the State Department approved in February 1951. This Exchange of Notes is intended for eventual publication but it is understood that it will not be published until a time to be mutually agreed. (The text of the Recommendation itself was made public on May 1, 1951.) Tentatively, I would think that it would be desirable to make public this Exchange of Notes at the same time as we make public the pending Exchange of Notes regarding the application of the NATO Forces Agreement to the Leased Bases.

5. The relationship between these two exchanges of notes may be rather difficult for the public to understand. The Exchange of Notes confirming the PJBD Recommendation will purport to state the jursidiction position at the Leased Bases, and the Visiting Forces (USA) Act will be extended to Newfoundland in this context. On the other hand, the second Exchange of Notes referred to (effective on the date on which the NATO Forces Agreement comes into force for both countries) will have the effect of putting into cold storage the jursidiction regime formally confirmed by the first Exchange of Notes. I am afraid that this somewhat confusing succession of notes is unavoidable. After all, the PJBD Recommendation deals with important matters other than jurisdiction. Furthermore, the Leased Bases Agreement has a longer life than the NATO Forces Agreement. For these reasons, it seems to us legally essential to complete the diplomatic and legal actions called for by the PJBD Recommendation.

A.D.P. HEENEY

714. DEA/10477-A-40

L'ambassadeur aux États-Unis
au secrétaire d'État des États-Unis

Ambassador in United States
to Secretary of State of United States

No. 68 Washington, January 23, 1952

RESTRICTED

Excellency,

I have the honour to refer to the Recommendation of the Permanent Joint Board on Defence made on March 30, 1950, regarding the revision of the Leased Bases Agreement of 1941 with respect to Newfoundland and particularly to the following paragraphs on the subject of jurisdiction:

"(a) That the Government of the United States, through an exchange of diplomatic notes, agree to waive its rights of jurisdiction under the Leased Bases Agreement over Canadian citizens, other British subjects, and alien civilians other than those subject to U.S. military law by reason of their accompanying or serving with the U.S. Forces.

(b) (1) That the Governments of the United States and of Canada, through an exchange of diplomatic notes, agree to suspend the exercise of their rights of jurisdiction under Article IV of the Leased Bases Agreement other than those waived by the U.S. Government under (a) above, for a period of five years, and thereafter subject to six months' notification of termination, except that in the event of war or other emergency the suspension shall, on notification given by either Government, cease to operate;

(2) That the Canadian Government, as a condition precedent to the waiver and suspension of the exercise of rights under Article IV and to the extension to Newfoundland of an amended Visiting Forces (USA) Act, give satisfactory assurances that the U.S. officials in Newfoundland will have a degree of jurisdiction comparable to that which they now in fact exercise. In this connection, the U.S. Section would regard the proposed letter from the Government of Canada to the Government of Newfoundland, with a reply from the Newfoundland Government that jurisdictional conditions would remain substantially as now exercised, as the basis for satisfactory assurances to be given by the Canadian Government."

Enclosed is a copy of a letter dated December 22, 1951,[†] from the Minister of Justice of Canada to the Attorney General of Newfoundland and a copy of the latter's reply dated January 2, 1952.[†]

On the basis of these letters, I believe that the United States Government may rest assured that, after the waiver and suspension of rights recommended by the Board have come into effect, the United States officials in Newfoundland will nevertheless have in practice a degree of jurisdiction comparable to that which they now in fact exercise.

Accept, etc.

HUME WRONG

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715. DEA/10477-A-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-251 Washington, January 25, 1952

CONFIDENTIAL

RECOMMENDATIONS TO P.J.B.D. OF MARCH 30, 1950 CONCERNING THE LEASED BASES AGREEMENT

Reference: Your letter D-110 of January 15.

1. Our note No. 68, dated January 23, which is identical in terms to Appendix A of your letter under reference was left with the State Department yesterday.[35]

2. You will recall that the State Department agreed on February 21, 1951 (my WA-671 of that date) that our note of assurance and the exchange of letters between the Department of Justice and the Attorney General of Newfoundland need not be published. State Department agreement at that time was given on the understanding that we did not wish to publish subparagraph (b)(2) of the Board's recommendations. We told the State Department that despite the Prime Minister's statement in the House on May 1, 1951, making public the full text of the recommendations, you would still prefer that our note of assurance and the exchange of letters with Newfoundland should remain classified as restricted. They agreed that there was no need to make this correspondence public.[36]

3. Now that the State Department have received our note of assurance on the jurisdiction question the next step, as you say, will be an exchange of notes recording the modification of the Leased Bases Agreement. According to the State Department this exchange of notes would have to be carried out *and the notes themselves made public*[37] before United States authorities could agree to the extension to the leased bases in Newfoundland of the Visiting Forces

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[35] Note marginale :/Marginal note:
Send copy.

[36] Note marginale :/Marginal note:
Agree.

[37] Note marginale :/Marginal note:
Pity.

(U.S.A.) Act as contemplated by the recommendations. We were assured that the United States authorities are anxious that the notes be exchanged as quickly as possible and the recommendations themselves brought into force (after publication of the notes) through any necessary executive action by Canada, such as a proclamation of the extension of the Visiting Forces Act. In the meantime, the State Department are studying the text of our proposed note recording the recommendations (appendix B to your letter under reference) in order to ensure that its terms are wholly satisfactory from their standpoint.

4. As the exchange of notes regarding the application of the NATO forces agreement refers to the Leased Bases Agreement "as it may be modified by the recommendations...", this exchange of notes would probably have to take place (or the notes themselves revised) in advance of the exchange of notes recording the Board's recommendations.[38] As regards the separate question of publication, it might be that if the two "exchanges" were made public at the same time some confusion would result as to the effect of the coming into force of the Board's recommendations at the leased bases (as distinct from the status of the leased bases once the NATO agreement has come into effect). As you have pointed out in your despatch D-3591 of December 18, the publication of the exchange of notes relating to the Status of Forces Agreement must await the completion and the publication of the Goose Bay lease. Your comments as to the timing of the several exchanges and their publication would be appreciated.

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716. DEA/10477-A-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-278 Washington, January 28, 1952

CONFIDENTIAL

RECOMMENDATION OF THE PJBD OF MARCH 30, 1950 CONCERNING THE LEASED BASES AGREEMENT

Reference: My WA-251 of January 25.

1. The State Department have suggested the following revision of our proposed note recording the recommendation (Appendix B to your Letter D-110 of January 15). For convenient reference the changes suggested by the State Department are underlined.

Text Begins:

I have the honour to refer to the recommendation made on March 30, 1950, by the Permanent Joint Board on Defence relating to the agreement of March

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[38] Note marginale :/Marginal note:
Could be changed. Get on with E of N [Exchange of Notes] on LB [Leased Bases].

27, 1941, between the Governments of the United Kingdom and of the United States of America concerning bases in Newfoundland leased to the United States, *the text of which recommendation is annexed hereto.*[†]

(2) As you know, the Canadian Government approved this recommendation on March 21, 1951. I understand that the President of the United States of America approved it on August 1, 1950.

(3) Paragraph (a) of the section of the recommendation dealing with income taxation said that certain provisions should be included in the then proposed revised United States-Canadian double taxation convention. The suggested provisions were, in fact, included in the revised convention between our governments, *which was* signed on June 12, 1950 *and came into force on November 21, 1951.*

(4) Several provisions of the recommendation of the Board were to the effect that, by exchange of notes, certain changes should be made in the application of the Leased Bases Agreement of 1941. I propose, therefore, that this note and your favourable reply shall as from the date of the reply constitute an exchange of notes within the meaning of the annexed Recommendation, modifying the Leased Bases Agreement of 1941 in the manner set forth in the recommendation *so far as the application of that agreement concerns Canada and the United States.* Text ends.

2. The modification suggested to Paragraph 1 of our proposed note would, in the view of the State Department, ensure that the text of the recommendation was considered an integral part of the note. In Paragraph 3, the addition would make clear the date on which the United States-Canadian Double Taxation Convention actually came into force. The amendment suggested to Paragraph 4 would avoid any possible misconception that the proposed exchange was modifying a bilateral agreement between the United Kingdom and the United States. If these suggested revisions are acceptable to us (and I expect that they will be) the State Department are prepared to receive our note in final form.

3. On the assumption that the exchange of notes recording the Board's recommendations can be concluded in the near future, State Department suggests that the proposed exchange of notes regarding the application of the NATO Forces Agreement should be revised by changing the phraseology "as it may be modified" in the present drafts to "as modified". The exchange on the NATO Forces Agreement could then follow the exchange of notes recording the Board's recommendation. This suggestion by the State Department would seem to me to be a good one. Your early comments would be appreciated.

717. DEA/10477-A-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis

Secretary of State for External Affairs
to Ambassador in United States

TELEGRAM EX-243 Ottawa, January 29, 1952

SECRET

P.J.B.D. RECOMMENDATION CONCERNING THE LEASED BASES AGREEMENT

Reference: Your telegrams WA-251 of January 25 and WA-278 of January 28.

1. Please send by bag for our records an exact copy of your Note No. 68 to the State Department.

2. As the State Department has no objection, we shall go on the basis that the Exchange of Letters with Newfoundland and your note of assurance to the State Department (No. 68) will not be made public. If at some future time the State Department wishes to have them made public, we shall be glad to reconsider the matter.

3. We note that the State Department does not wish us to extend the Visiting Forces (USA) Act to Newfoundland until the proposed Exchange of Notes (confirming the PJBD Recommmendation) has been carried out and made public.

4. The revised terms of the note confirming the Recommendation, as given in WA-278, are satisfactory. There is no substantial difference between that text and the one authorized in our Letter D-110 of January 15.

5. With reference to para. 3 of your WA-278 we agree that the Exchange of Notes confirming the Recommmendation could precede the Exchange of Notes regarding the application of the NATO Forces Agreement. Therefore, as the State Department suggests, the phrase "as it may be modified" in the latter Exchange of Notes could be changed to "as modified".

6. With reference to para. 4 of your WA-251, it is difficult to know how best to arrange the timetable of publication of the different Exchanges of Notes. There will be a certain amount of confusion no matter what arrangement is followed. Perhaps it would be better to proceed first with the Exchange of Notes confirming the PJBD Recommendation, and then to publish them and extend the Act as quickly as possible. In the meantime the Exchange of Notes regarding the application of the NATO Forces Agreement to the Leased Bases could be completed but, if the State Department agrees, the publication of that Exchange of Notes could be delayed for some weeks after the publication of the first Exchange of Notes.

7. The order of arranging these pieces of paper does not seem important to us. What is important, after the unavoidably long delay, is to break the circle and get at least one of the Exchanges of Notes completed and published as soon as convenient.

718. DEA/10477-A-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-295 Washington, January 29, 1952

CONFIDENTIAL

P.J.B.D. RECOMMENDATION CONCERNING THE LEASED BASES AGREEMENT

Reference: Your EX-243 of January 29th.

1. Thank you for your prompt reply to my messages on this subject.

2. I propose to submit to the State Department in final form, our note (the text of which is contained in my WA-278 of January 28th) recording the recommendation. The State Department will be prepared to reply to this note within a few days. The two notes might then be published say three days after the United States reply is received. The provisions of the Visiting Forces Act could then be extended to the leased bases in Newfoundland.

3. Once the exchange of notes recording the Board's recommendation has been completed, the exchange of notes regarding the application of the NATO Forces Agreement (as amended) could be carried out. The publication of this particular exchange of notes would then be delayed until some time to be mutually agreed after the publication of the Goose Bay lease. I gather this procedure would be satisfactory from your standpoint.

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719. DEA/10477-A-40

Extrait du télégramme du secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis

Extract from Telegram from Secretary of State for External Affairs
to Ambassador in United States

TELEGRAM EX-338 Ottawa, February 12, 1952

CONFIDENTIAL

P.J.B.D. RECOMMENDATION CONCERNING THE LEASED BASES

Reference: Your WA-313 January 31st.†

Please send to State Department your Note confirming the Recommendation. Kindly teletype exact text of your Note as delivered, and of State Department reply, and send copies by bag.

2. As suggested in your WA-295 of January 29, the notes could be published about three days after the completion of the exchange. Please fix exact time with State Department and give us two clear days notice. 11 a.m. is a convenient release hour.

. . .

720. DEA/10477-A-40

Extrait du télégramme de l'ambassadeur aux États-Unis au secrétaire d'État aux Affaires extérieures

Extract from Telegram from Ambassador in United States to Secretary of State for External Affairs

TELEGRAM WA-428 Washington, February 13, 1952

CONFIDENTIAL. IMPORTANT.

P.J.B.D. RECOMMENDATION CONCERNING THE LEASED BASES

Reference: Your EX-338 of February 12.

1. My note No. 109, dated February 13, was delivered to the State Department today. As you requested, I am sending in a separate teletype the exact text of the note as delivered and copies will be sent by bag.

2. The State Department's reply may be expected by February 18 and the notes could therefore be published about February 21. A copy of the State Department reply will be teletyped to you as soon as it is received. On receipt of the State Department note we will then fix the exact time for publication, giving you two clear days notice and bearing in mind that 11 a.m. is a convenient release time in Ottawa.

. . .

4. Once the notes are exchanged, the Department of National Revenue will have new authority to assess duties, etc. on certain imports into the leased bases. Presumably circular regulations to the collectors of customs will not be issued immediately nor will the altered legal status with respect to duty-free privileges be made known to the public until three days after the exchange of notes is completed. In a conversation with Wight of the Canadian Desk of the State Department, the hope was expressed that National Revenue would not assess duties retroactively as from the date the exchange of notes was completed. It was emphasized that there was no disposition to challenge the legal right to assess such duties but it was believed that, from the practical standpoint, such a procedure might cause some confusion. State Department would also appreciate being advised, if possible in advance, of any Canadian administrative arrangements following, but in accordance with, the exchange of notes altering the application of the leased bases agreement. Your views on these points would be welcomed.

721. DEA/10477-A-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-501 Washington, February 21, 1952

CONFIDENTIAL. IMPORTANT.

P.J.B.D. RECOMMMENDATION CONCERNING NEWFOUNDLAND LEASED BASES

Reference: Your EX-380 of February 20.†

1. The State Department have now reversed their opinion that the notes must be exchanged *and the notes themselves made public* before the recommmendations come into effect at the leased bases. They are quite prepared to go ahead with an unclassified exchange of notes but do not wish the exchange to be followed by any press release or any unnecessary publicity regarding the exchange. Their latest estimate is that we may expect to receive the State Department's reply to our note about February 27th.

2. This new attitude of the State Department is based on a concern over the present temper of Congress toward concessions made by the State Department in negotiations with other countries. In particular, however, it reflects their concern at Congressional criticism over the extent to which United States foreign expenditures are inflated by local taxes. The State Department believe that by drawing the attention of Congress again to the recommendations through a press release they might be called upon to justify the recommendations before Congressional committees. Publicity on the P.J.B.D. recommendations might also compromise the successful outcome of United States negotiations with European NATO countries for tax-free privileges. (See my WA-497 of today's date.)[39]

3. We told the State Department that we would pass their request to you for sympathetic consideration. In the event that you agree that a press release or any undue publicity should be avoided, the State Department would be wholly responsible for notifying those concerned at the leased bases of the altered status of the agreement.

4. With regard to publication of the exchange of notes regarding the application of the NATO agreement, we indicated that Canadian authorities believed the publication of this exchange of notes through tabling in the House to be desirable. A favourable decision, therefore, on their request to have no publicity on the exchange of notes regarding the P.J.B.D. recommendations would be without prejudice to the separate question of publishing the exchange of notes regarding the NATO Status of Forces Agreement.

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[39] Non retrouvé./Not located.

722. DEA/10477-A-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis

Secretary of State for External Affairs
to Ambassador in United States

TELEGRAM EX-399 Ottawa, February 22, 1952

RESTRICTED

P.J.B.D. RECOMMENDATION CONCERNING LEASED BASES

Reference: Paragraph 4 of your WA 428 of February 13.

The Department of National Revenue has furnished the following comments on your paragraph 4:

"There is no need on our part for the immediate issuance of new circulars or regulations. In fact, a delay sufficient to enable us to straighten away certain administrative details now being discussed with the Leased Bases authorities is advisable.

"There is no cause for retroactive assessments because of the close liaison and procedures worked out with the Base Command since the PJBD recommendations were announced by the Prime Minister. Consequently, no retroactive effect will be given to the modified terms."

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723. DEA/10477-A-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-634 Washington, March 6, 1952

CONFIDENTIAL

P.J.B.D. RECOMMENDATION CONCERNING NEWFOUNDLAND LEASED BASES

Reference: EX-485 of March 5th, 1952.†

Following for Heeney, Begins:

1. The question of clarifying arrangements in connection with the United States reply to our note on the P.J.B.D. recommendations concerning Newfoundland leased bases and tabling in the House, was discussed with Raynor today. Raynor said that on the United States side they were fully in accord with our view that the agreement should now be completed promptly. The State Department was very appreciative of our willingness to drop the idea of making a press release in response to their request and they fully understood the desire of the Canadian Government to table the exchange during the present session of Parliament. Raynor explained that the Administration expected a sharp reaction from Congress during the hearings on the mutual

security programme, due to commence next Monday, on the extent to which United States foreign expenditures are inflated by local taxes, and for this reason the State Department would greatly appreciate if tabling could be postponed for two or three weeks. The State Department expect that after a good deal of heated controversy on this issue at the beginning of the hearings, Congressional preoccupation with the tax questions will abate and tabling of exchange of notes in a routine manner in the House would pass unnoticed in the United States.

2. Raynor said that there was no connection whatever between the delay in the United States reply to our note and the question of publicity. He said that if we had derived that impression (as reported in paragraph 2 of WA-542 of February 27th)† this was unjustified by the facts. The delays resulted purely from the difficulty of obtaining the concurrence of the Pentagon to the terms of the United States reply in writing. Concurrence had been given informally and orally, but in a matter of this importance the State Department wish to have written concurrence. The reply will be submitted to Secretary Acheson early next week and Raynor hoped and expected that the United States reply would be forthcoming during the course of next week. Raynor observed that Bliss of the United States Embassy in Ottawa had explained our attitude on this question and he hoped that the United States position was now clear. If there were any points respecting United States intentions which were now unclear, he would be glad to help clarify them and again expressed the appreciation of the State Department for our willingness to co-operate on the matter of the press release. Ends.

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724. DEA/10477-A-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-722 Washington, March 14, 1952

CONFIDENTIAL. IMPORTANT.

P.J.B.D. RECOMMENDATION CONCERNING NEWFOUNDLAND LEASED BASES

Reference: WA-634 of March 6.

We were informed by Raynor today that clearance of the United States reply has now been obtained from Secretary Lovett and that the State Department note was submitted to Mr. Acheson for his signature today. It is, therefore, expected that the State Department note will be sent to me at the beginning of next week. Raynor explained that the delay during this week resulted from the necessity of obtaining Secretary Lovett's own approval because tax problems were involved and he had been tied up with preparations for the hearings on the mutual security programme. He now foresees no further delay.

725. DEA/10477-A-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-758 Washington, March 19, 1952

CONFIDENTIAL. IMPORTANT.

P.J.B.D. RECOMMENDATION CONCERNING NEWFOUNDLAND LEASED BASES

At the State Department today Raynor gave us a United States note dated March 19, text of which is contained in my immediately following teletype, which constitutes a reply to our note No. 109 dated February 13, 1952.†[40]

2. In submitting this note, Raynor made four points in comment. He repeated the request, which was transmitted to you in WA-634 of March 6, that the tabling of the exchange of notes be postponed. He said that the State Department would greatly appreciate it if the tabling could be put off for a minimum period of two weeks and that the document should not be tabled without further consultation with the State Department. In support of this request Raynor explained that the hearings on the Mutual Security Act had brought out sharp questioning of both Mr. Acheson and Mr. Harriman on the question of the incidence of foreign taxes on United States defence expenditures abroad. The United States Government moreover, was at present trying to come to an agreement with other NATO countries on this matter of taxes and that the negotiations for these agreements had not yet been concluded. The United States authorities are concerned lest there should be any hitch in concluding the agreements, and this might result if the terms of the arrangements made with Canada should become known.

3. Raynor also repeated the request transmitted to you in WA-634 of March 6, that the correspondence should be tabled in as inconspicuous a manner as possible to minimize possible congressional reaction to this transaction.

4. He also repeated the understanding that there would be no press release with regard to this exchange of notes.

5. He added the new point that in view of the current preoccupations of Congress with the problem of the incidence of foreign taxation on United States defence expenditures abroad, it was necessary to take into account the contingency that Congress might adopt far-reaching legislation which might

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[40] Pour le texte de cet échange de notes et les autres échanges de notes qui suivirent concernant l'application de la Convention de l'OTAN sur le statut des forces des États-Unis au Canada, y compris celles sur les bases cédées à bail à Terre-Neuve et Goose Bay, au Labrador, voir Canada, *Recueil des Traités*, 1952, nº 14.
For texts of this Exchange of Notes and the further Exchange of Notes concerning the application of the NATO Status of Forces Agreement to US forces in Canada, including those at leased bases in Newfoundland and Goose Bay, Labrador, see Canada, *Treaty Series*, 1952, No. 14.

affect Canada-United States tax arrangements. This is regarded as a remote possibility but it cannot be excluded that the United States might approach us for an agreement on taxation.

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726. DEA/10477-A-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassade aux États-Unis

Secretary of State for External Affairs
to Embassy in United States

TELEGRAM EX-986 Ottawa, May 5, 1952

RESTRICTED

P.J.B.D. RECOMMENDATION CONCERNING LEASED BASES

Reference: Your WA-1039 of April 18.†

Confirming telephone call to you on May 2, the Exchange of Notes was tabled in Parliament on that day, along with other agreements. We presume that you notified State Department.

SECTION G

GOOSE BAY

727. DEA/50216-40

Note du sous-secrétaire d'État aux Affaires extérieures
pour le secrétaire d'État aux Affaires extérieures

Memorandum from Under-Secretary of State for External Affairs
to Secretary of State for External Affairs

CONFIDENTIAL Ottawa, September 5, 1952

PROPOSED SIGNATURE OF GOOSE BAY LEASE

As you know, the terms of the exchange of notes constituting the Lease were approved by Cabinet in February 1951. The exchange of notes is to be accompanied by two documents — a letter regarding metes and bounds and a letter regarding privileges and immunities. The draft texts of all three documents, as settled between the two Governments, are annexed for reference.†

2. There have been two reasons for the long delay in executing the Lease. In the first place the two Air Forces took many months to settle the metes and bounds. Then the difficulties we were having with the United States regarding the terms on which GLOBECOM[41] stations could be established at various points in Newfoundland became mixed up with the discussion of the Goose Bay Lease, and it was thought best to postpone signing the Goose Bay Lease until the GLOBECOM question had been settled in principle. We have now reached

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[41] Global Communications.

that stage, and we shall be able in the near future to submit to Cabinet for official approval the revised formula on tenure of the GLOBECOM station at Harmon which you and Mr. Claxton tentatively approved some weeks ago. The GLOBECOM station at Northwest River, near Goose Bay, will be taken care of by a document which will be supplementary to the Goose Bay Lease but which need not be signed at the time the Lease itself is signed.

3. Although there is still some detail work to be done before the papers regarding the GLOBECOM stations can be signed, the United States Embassy on September 4 told us that the United States Government and in particular the Secretary of Defense is most anxious to avoid any further delay in the signature of the Goose Bay Lease itself (and the two collateral letters on metes and bounds and privileges). It seems to me that there is no reason to refuse the request of the United States to complete the Lease forthwith. GLOBECOM is not mentioned in the Lease and, subject to final Cabinet approval, solutions have been found, and have been approved by you and Mr. Claxton, to the GLOBECOM question.

4. If you and Mr. Claxton agree, we shall arrange to have the exchange of notes constituting the Lease and the two collateral letters set up for signature and exchanged forthwith. Presumably they will be signed by Mr. Claxton as Acting Secretary of State for External Affairs.

5. As you know, it was agreed last year that the exchange of notes constituting the Lease, but not the two collateral letters, will be made public. Annexed for convenient reference is the text of the draft press release which you and Mr. Claxton approved some time ago and which has been cleared with the United States.†[42] It would suggest that the press release, with the text of the Lease, be issued on the day following the signature. When Parliament meets the Lease can be tabled.

6. In view of the fact that Cabinet approved the text of the Lease back in February 1951, you or Mr. Claxton may wish to mention to Cabinet the reasons for the delay in signature and the fact that the signature is to take place shortly. The delay in signature has not impeded authorized U.S. activities at Goose Bay.

L.D. W[ILGRESS]

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728. DEA/50216-40

Note du sous-secrétaire d'État aux Affaires extérieures pour le secrétaire d'État aux Affaires extérieures

Memorandum from Under-Secretary of State for External Affairs to Secretary of State for External Affairs

SECRET Ottawa, September 23, 1952

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[42] Note marginale :/Marginal note:
OK. L.B. P[earson]

GOOSE BAY LEASE

While you were in Europe it was agreed with the United States Embassy that the notes constituting the lease of certain sections of RCAF Station Goose Bay should be exchanged on September 17, that our collateral notes should be signed at the same time, and that a press release should be issued the following day.

2. On September 15 or 16 Mr. Claxton discovered that Air Vice Marshal Miller had replied on September 4 to General Walsh's[43] letter of August 13 regarding the proposed stationing at Goose Bay of a U.S. fighter squadron. In his letter A/V/M Miller, who had not consulted his Minister, said that no further notification was required but that the subject should be reviewed when or if discussions were carried on between Canada and the United States on command arrangements in the area. We had informed A/V/M Miller

a) that we agreed that no approval from Canadian authorities was required;

b) that no further notification regarding the proposed deployment of a squadron was required; and

c) that the deployment should be considered as subject to review when or if discussions were carried on between Canada and the United States on command arrangements in the Northeast area of Canada.

(I attach copies of my letter of September 2 to A/V/M Miller — Annex A — and A/V/M Miller's letter of September 4 to General Walsh, USAF — Annex B.)'

3. Mr. Claxton refused to sign the notes until further consideration had been given to the question whether the proposed agreement would in fact confer on the United States the right to station fighter squadrons at Goose Bay. He raised the matter in Cabinet on September 17. Cabinet did not come to any clear decision on the matter but seemed to be of the opinion that further consideration should be given to the matter and that the Prime Minister, who was absent, should be consulted.

4. I informed Mr. Bliss of the U.S. Embassy of the reasons for postponement of signature.

5. On Mr. Claxton's instructions we prepared a memorandum going into the history of the negotiations and examining the question whether the proposed agreement did in fact confer on the United States the right to station fighter squadrons. The proposed agreement certainly authorizes the United States to operate military aircraft at the base but makes no provision whatever for the defence of the base. Our memorandum suggests that in view of the doubts as to the meaning there are three courses of action open to the Government, namely:

a) to sign the proposed agreement and be prepared to concede the right of the United States to station fighter squadrons;

b) to ask the United States to accept an amendment somewhat as follows:

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[43] Le major général R.L. Walsh, des Forces aériennes des États-Unis ; membre de la section américaine, CPCAD.
Major General R.L. Walsh, United States Air Force; Member of US Section, PJBD.

"Notwithstanding any rights granted to the Lessee by this agreement, arrangements for the sea, air and land defence of Goose Bay shall be the subject of discussion and agreement between the two Governments."; or,

c) to inform the United States of our intention to address another collateral note to the U.S. Ambassador stating that it is our understanding that the lease agreement does not make any provision for the defence of Goose Bay and that arrangements for such defence should be the subject of discussion and agreement between the two Governments.

6. I am still firmly convinced that we were right in expressing our opinion that the proposed agreement gives the United States a right to station fighter squadrons. I am inclined to agree with Mr. Claxton, however, that it is desirable to specify in the agreement that defence of the base is a matter which should be the subject of discussion and agreement between the two Governments.[44]

7. I have advised Mr. Claxton to defer further discussion in Cabinet and to authorize the Canadian Section of the PJBD to explore the matter with the U.S. Section during this week's meetings of the Board in Newfoundland. At the time of writing (afternoon, September 23) Mr. Claxton[45] had not given a decision.

8. I attach copies of our memorandum of September 20 for the Acting Minister on the Goose Bay lease (Annex C) and our longer memorandum of the same date (Annex D).†

L.D. W[ILGRESS]

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729. DEA/50216-40

Note du sous-secrétaire d'État aux Affaires extérieures
pour le secrétaire d'État aux Affaires extérieures

Memorandum from Under-Secretary of State for External Affairs
to Secretary of State for External Affairs

SECRET Ottawa, September 27, 1952

POSTING OF U.S. FIGHTER SQUADRONS TO GOOSE BAY

You will recall that during your absence the USAF, through the U.S. Air Member of PJBD, notified the Canadian Air Member that they proposed to station an interceptor squadron at Goose Bay as of October 1 and that they assumed that no further notification of the Canadian Government was required. The Canadian Air Member of PJBD advised this Department that National Defence agreed with this assumption. Officials of the Department were inclined to agree that on the basis of the draft Goose Bay lease we could not object. However, Mr. Claxton felt strongly otherwise. His interpretation of the lease agreement was that it merely provided for the lease of land within the

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[44] Note marginale :/Marginal note:
I agree. L.B. P[earson]

[45] Note marginale :/Marginal note:
Mr. Claxton has now agreed. L.D. W[ilgress]

RCAF air base to the U.S. for the construction of their facilities and permitted the U.S. use of joint facilities such as the runways. The USAF were so advised although after a considerable lapse of time. In the meantime they had been given to understand through Service channels that there would be no objection and they had accordingly gone ahead to advise the squadron of the posting and make necessary arrangements including shipping arrangements. MacKay informs me that the Canadian Section of the PJBD, at its recent meeting, held firmly to the interpretation of the lease agreement in accordance with Mr. Claxton's views and as instructed by him. The American Section, however, did not fully agree with this interpretation. The conclusion of the meeting was that the draft lease should be clarified either by amendment or by exchange of correspondence so as to make more precise the U.S. rights at Goose Bay. MacKay feels strongly that there was no intention on the part of the USAF to "put anything over us" about posting a squadron there and that they quite sincerely felt that they were entitled to do so without special approval from us and that notice through Service channels was all that was required.

2. MacKay also feels strongly that, on military grounds, there is a strong case for stationing a fighter squadron at Goose Bay. Although there may be no immediate threat to the base, it might be difficult to get a squadron there in time should a threat develop. Further, the strategic concept on which SAC operations are planned is that SAC should be in a state of instant readiness to strike should occasion require. SAC operations over the northeast would be staged through or over Harmon and Goose and should an operation be decided on, fighter protection as far outward as possible would be a requirement. On these assumptions, there would appear to be a strong case for having a fighter squadron based at Goose, both for defence and for the protection of SAC operations. There is reason to believe the U.S. would be quite prepared to accept a Canadian squadron but it is quite clear that no Canadian squadron is available at present or will be for some time unless we reduce our NATO commitments in Europe.

3. A U.S. fighter squadron stationed at Goose would, of course, raise for us certain complictions. It would be of little value for defence purposes if it could not intercept incoming planes. Under the present agreement with the U.S., interception by U.S. planes over Canadian territory can only be carried out under Canadian rules and, when over Canadian territory, U.S. interceptor planes come under Canadian command. There are no facilities at Goose for establishing a Canadian operational command. Communications with Goose are uncertain and sometimes there are blackouts of as much as twenty-four hours' duration. In practise, interception could only be carried out under U.S. command although we might insist on a U.S. squadron there following Canadian rules. However, there are not a great many commercial flights into Goose. TCA is the only commercial line scheduled for stop-overs; other lines use it only as a weather alternate to Gander. Further, trans-Atlantic commercial flights are always carefully flight-planned and there would be little occasion for interception of commercial planes. Under these circumstances, the danger of incidents would appear to be slight.

4. In view of all the circumstances, MacKay feels that we cannot very well refuse the stationing of a U.S. fighter squadron at Goose at an early date. It is suggested, however, that our consent might be made on the following basis:

(a) that it should be without prejudice to a decision on requirements to be taken following a re-examination of the needs by the Chiefs of Staff of each country;

(b) that it should be without prejudice to a decision on command of forces for the defence of Newfoundland-northeast area;

(c) that it should be without prejudice to a decision as to whether fighter defence forces at the base should be Canadian or U.S.;

(d) that in the meantime interception by fighter forces stationed at Goose Bay should be conducted strictly in accordance with Canadian regulations.

L.D. W[ILGRESS]

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730. DEA/50216-40

Note du sous-secrétaire d'État aux Affaires extérieures pour le secrétaire d'État aux Affaires extérieures

Memorandum from Under-Secretary of State for External Affairs to Secretary of State for External Affairs

SECRET Ottawa, October 3, 1952

GOOSE BAY LEASE

Defence of the base

The Canadian Section of the PJBD discussed the matter of the proposed Goose Bay lease with the U.S. Section during the meetings of the Board in Newfoundland last week. The U.S. Section had apparently assumed that the lease did not restrict the right to station forces, and were surprised when the point was raised, but did not contest the Canadian view that the proposed lease does not confer on the U.S. the right to station a fighter squadron at the base. The U.S. Embassy has not contested our interpretation: Mr. Bliss by implication accepted our view when he told Mr. Wershof that he hoped we would be satisfied with a collateral letter rather than an amendment to the lease itself.

2. The question now arises whether we should ask the U.S. authorities to accept an amendment to the proposed lease or merely a collateral letter. An amendment might read somewhat as follows:

"Notwithstanding any rights granted to the lessee by this agreement, arrangements for the sea, air and land defence of Goose Bay shall be the subject of discussion and agreement between the two Governments."

A collateral letter would record the understanding of the Canadian Government that the lease does not make any provision for the sea, air or land defence of Goose Bay and that arrangements for the defence of the base should be the subject of discussion and agreement between the two Governments.

3. There are several objections to an amendment to the lease itself:

(a) It would draw public attention both in Canada and in the United States to the problem of the defence of U.S. installations in Canada.

(b) It would certainly involve a considerable delay in the signing of the agreement and might lead to an effort on the part of the United States to open up other provisions of the agreement.

4. I do not think that, if the United States authorities are willing to accept a collateral letter, the absence of a safeguarding clause in the agreement itself would prejudice our rights[46] under the agreement. In the implementation of Canada-U.S. defence arrangements so much depends on the good-will of the parties that it is not necessary to spell out everything in formal agreements.

5. In the circumstances I recommend that the Department be authorized to take up with the United States authorities a proposal that we sign the lease and accompany it with a collateral letter along the lines set forth above (in paragraph 2).[47]

Stationing of forces

6. I understand that Mr. Claxton considers that the United States should be under an obligation to notify us from time to time of substantial changes in the character or numbers of U.S. forces to be stationed at Goose Bay. Under paragraph 6 of the proposed agreement, "the Lessee shall have ... such rights as are necessary to support the operation of United States military aircraft at Goose Bay, including the right (a) to station personnel within the Leased Areas ...."

The Lease also gives the United States the right to construct various kinds of facilities, including communiction and navigation facilities, storage facilities, etc. It is therefore clear that the United States will have the right under the agreement to station personnel in quite large numbers. It is reasonable, however, to interpret the agreement as *not* conferring on the United States unlimited rights to station troops at the base. It would not be proper, for instance, for the U.S. to use its leased areas as a place in which to train land forces in Arctic warfare and it can be argued that the Lease does not confer a right to station units or formations of a kind whose presence would substantially affect the operation of Goose Bay as a Canadian air base or would overtax base facilities outside of the leased areas.

7. The U.S. has at our request supplied quarterly reports on the numbers of its forces at U.S. installations in Canada, including the Leased Bases, although it is under no obligation to do so in so far as the Leased Bases are concerned.

8. It would be technically difficult to write into the Goose Bay Lease a provision requiring the United States to consult us before making substantial changes in the character and numbers of forces stationed in the leased areas: it

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[46] Note marginale :/Marginal note:
What do our legal advisers think of this?

[47] Note marginale :/Marginal note:
OK — if the legal position is safeguarded by this procedure. L.B. P[earson]

would involve recasting some of the principal provisions. What we wish, as I understand it, is to be consulted before the U.S. makes such substantial increases in the numbers of its forces, or stations such operational units, as would change the character of the air base or over-tax base facilities outside of the leased areas. In the circumstances, if the matter is to be mentioned at all, it should be sufficient to say in a collateral letter that the Canadian Government expects to receive quarterly reports on the numbers of its forces stationed at Goose Bay (as at other U.S. installations in Canada) and to be consulted with regard to proposals:[48]

(a) substantially to increase the numbers of U.S. personnel stationed at Goose Bay;

(b) to station units or formations of a kind not stationed at Goose Bay at or prior to the time the lease enters into force;

(c) to station units or formations of a kind whose presence would substantially affect the operation of Goose Bay as a Canadian air base;

(d) to station units or formations whose presence would over-tax base facilities outside of the leased areas.

Do you agree, and, if so, may we inform the U.S. Embassy accordingly?[49]

9. Both the matters treated in this memorandum might be covered in a "Dear Mr.Woodward" letter to the U.S. Ambassador.

10. Do you think it necessary to obtain the approval of Cabinet Defence Committee or, in view of the recent discussion in Cabinet, of full Cabinet?[50] As you know, Cabinet Defence committee will probably meet on Thursday, October 9.[51]

11. I am sending a copy of the foregoing to Mr. Claxton and am asking him to let us have his views.

12. Annexed for reference is the memorandum which I sent you on September 23.

L.D. W[ILGRESS]

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[48] Note marginale :/Marginal note:
I think that we should do this. L.B. P[earson]

[49] Note marginale :/Marginal note:
Yes.

[50] Note marginale :/Marginal note:
I think that we should get this cleared at C.D.C. meeting on Oct. 9. L.B. P[earson]

[51] Voir les documents 706-707./See Documents 706-707.

731. DEA/50216-40

Le chef de l'état-major de la United States Air Force
au chef de l'état-major des forces aériennes

Chief of Staff of United States Air Force
to Chief of Air Staff

TOP SECRET[52] Washington, [n.d.]

INFO: NORTHEAST AIR COMMAND, PEPPERRELL AFB, NFLD

For: General Myers
Personal to Air Marshal Curtis from General Vandenberg

AFCCS-TS 8305

In light of the objections revealed at the 25 Sep[tember] meeting of the Perm[anent] Joint Board on Defense, Canada-United States, to the deloyment of the 59th Ftr[Fighter]-Interceptor Sq[uadron] to Goose Bay Movement of the unit has been suspended. Notice of modification of the initial service to service authorization was received after final preparation for the movement had been made and elements of the Sq[uadron] were in various stages of transit between stations. I am extremely desirous of continuing this movement and therefore request your concurrence with the temporary deployment of the 59th Sq[uadron] to Goose Bay at this time. It is understood that an agreement on the deployment of this unit on a temporary basis will not be considered to imply a resolution of problems presented by the Canadian Sec[tion] at the recent PJBD meeting. Operations of this unit would be conducted under local direction of United States Northeast Air Commander. I am sure you will agree that this area is of such importance as to warrant this temporary deployment now to achieve a measure of defense capability.[53]

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[52] Notre copie du document porte la mention manuscrite suivante :
The following is written on this copy of the document:
Rec[eive]d in Mr. Pearson's office 11:30 a.m. Oct. 11/52.

[53] Notre copie du document porte la mention manuscrite suivante :
The following is written on this copy of the document:
Note for file — Mr. Pearson told Mr. Wilgress and me before this text arrived, that he was willing to agree to temporary deployment, "without prejudice". He thought the approval of Mr. Claxton himself was sufficient for a temporary military movement. He left it to Mr. Wilgress and me to suggest to A/M Curtis the wording of the reply. Oct. 11. M. Wershof

732. DEA/50216-40

Note du sous-secrétaire d'État adjoint aux Affaires extérieures pour le sous-secrétaire d'État aux Affaires extérieures

Memorandum from Assistant Under-Secretary of State for External Affairs to Under-Secretary of State for External Affairs

TOP SECRET Ottawa, November 17, 1952

POSTING OF U.S. FIGHTER SQUADRON TO GOOSE BAY

You will recall that as a consequence of the agreement between Mr. Pearson and Mr. Claxton that the CAS should concur in the temporary deployment of a U.S. fighter squadron at Goose Bay, this Department suggested to the CAS[54] on October 11, 1952, that his concurrence should incorporate the following understandings:

1) That it should be without prejudice to a decision on command of forces for the defence of the Newfoundland-Northeast area;

2) That it should be without prejudice to a decision as to whether fighter defence forces at the base should be Canadian or U.S;

3) That in the meantime interception by fighter forces stationed at Goose Bay should be conducted strictly in accordance with Canadian regulations.

2. Although the telegram from the CAS to General Vandenberg concurring in the temporary deployment of the 59th Interceptor Squadron to Goose Bay (copy of which you have already seen) was couched in identical terms to those suggested by this Department, we have now received through PJBD channels from the RCAF a copy of a letter from the Acting Chief of the Air Staff dated October 18, 1952, to the Air Officer Commanding, Air Defence Command, RCAF, (copy attached)† which goes far beyond the position taken by External Affairs. The letter makes the following statement:

".... In view of the fact that command and control of Air Defence Forces in the NEAC[55] area has not as yet been resolved and in view of the temporary nature of the deployment, you are hereby authorized to delegate the necessary authority to the Commanding General, NEAC, to intercept and engage hostile aircraft in accordance with Appendix B to Cabinet Document D 320 (copy attached)† in which the powers of the Canadian Air Defence Commander for the interception and engagement of hostile aircraft are defined. Since this unit is operating under the local direction of the Commanding General, Northeast Air Command, Air Defence Command will have no control over its deployment by U.S. authorities."

3. It was recognized in the Department of External Affairs when the condition regarding interception referred to in paragraph 1 above was first drafted, that lack of command and communications facilities in the Goose Bay area on the part of the Canadian Air Defence Command would pose a difficult

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[54] Chief of Air Staff.

[55] Northeast Air Command.

problem in making the arrangements for the control of the operations of the squadron, and that it would be necessary to make special arrangements to meet the needs of the situation. I am doubtful, however, that the Acting CAS has power to delegate an authority which was vested in the AOC,[56] Air Defence Command, (as a Canadian exercising command over Canadian aircraft) to an American exercising command over American aircraft flying over Canadian territory. Moreover, I do not know whether Mr. Claxton is aware that this action has been taken.

4. Existing regulations give the USAF authority to intercept over Canada only when an unidentified aircraft gives evidence of intention to cross the border; USAF aircraft are not permitted to "engage" a supposedly hostile aircraft over Canada. New draft regulations now being considered by the PJBD would authorize USAF aircraft to intercept anywhere in Canada provided no RCAF aircraft are available, and to engage a hostile plane, but only on orders of the *Canadian* Air Defence Commander.

5. I am of the opinion that as a consequence of the discussions held at the November 13 [14] meeting of Cabinet Defence Committee on Canada-U.S. military installations in Newfoundland and Labrador,[57] and because the Military Cooperation Committee is to discuss shortly the specific question of the method by which Canadian control is to be exercised over air defence arrangements in northeastern Canada, a satisfactory solution to this problem should be forthcoming. However, if you agree,[58] I propose, in my capacity as External Affairs Member of the PJBD, to have a talk with the Canadian Air Member of the Board (A/V/M Miller), drawing to his attention my doubts about the procedure followed in authorizing the AOC to delegate authority to "intercept and engage" to the Commanding General of Northeast Command.

R.A. MacKay

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[56] Air Officer Commanding.

[57] Voir les documents 711-712./See Documents 711-712.

[58] Notes marginales :/Marginal notes:

I agree. W[ilgress]

Since above was typed I have been informed that the US-Can Military Cooperation Committee will meet Nov. 21, and that among questions likely to be discussed is that of interception procedures in the North East. I would therefore propose to delay speaking to AVM Miller until the results of the meeting are known. I still think, however, the matter should be drawn to his attention. R.A. M[ackay]

733. DEA/50216-40

Extrait de la note
du sous-secrétaire d'État suppléant aux Affaires extérieures
pour le secrétaire d'État aux Affaires extérieures

Extract from Memorandum
from Deputy Under-Secretary of State for External Affairs
to Secretary of State for External Affairs

SECRET Ottawa, December 6, 1952

GOOSE BAY LEASE

The Notes and letters constituting the Goose Bay Agreement were signed and exchanged on December 5.

2. You will recall that the Notes and accompanying letter were all ready for signature in mid-September when Mr. Claxton wished to re-examine some of the implications of the proposed agreement. His concern had been aroused by the action of the U.S.A.F. in "notifying" the R.C.A.F. of its intention to station a fighter squadron at Goose Bay. Since mid-September, a great deal of consideration has been given to the implications of the proposed agreement as a result of which it was decided that there should be an exchange of collateral letters. Our letter records the understanding of the Canadian Government that existing arrangements between the Governments of Canada and the United States regarding the operational activity or stationing of tactical or strategic formations shall continue to apply to Goose Bay; and states that the Canadian Government will expect to be consulted with regard to any proposal substantially to increase the numbers of United States personnel to be stationed at Goose Bay. The United States reply concurs in the understanding. The collateral letters are classified as CONFIDENTIAL. If it should be desired to publish them, it will be necessary to obtain the concurrence of the United States Government.

3. The Goose Bay Agreement now comprises the following:

(a) A formal Note from the Acting Secretary of State for External Affairs to the United States Ambassador setting forth the terms and conditions of the lease, and the United States Ambassador's reply, which together constitute the lease Agreement. These are to be published.[59]

(b) A formal Note from the Acting Secretary of State for External Affairs to the United States Ambassador on metes and bounds. This is SECRET.†

(c) A letter, classified as SECRET, from the Acting Secretary of State for External Affairs to the United States Ambassador stating that it is the intention of the Canadian Government to give effect at Goose Bay to certain recommendations of the P.J.B.D. on customs and excise privileges, application of the Visiting Forces (U.S.A.) Act and military postal privileges.†

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[59] Voir Canada, *Recueil des Traités*, 1952, n° 22.
See Canada, *Treaty Series*, 1952, No. 22.

(d) The new collateral letters recording the Canadian Government's interpretation of the Agreement, and the United States Ambassador's reply. These are CONFIDENTIAL.

. . .

C.S.A. R[ITCHIE]

[PIÈCE JOINTE 1/ENCLOSURE 1]

DEA/50216-40

Le secrétaire d'État par intérim aux Affaires extérieures
à l'ambassadeur des États-Unis

Acting Secretary of State for External Affairs
to Ambassador of United States

CONFIDENTIAL Ottawa, December 5, 1952

Dear Mr. Woodward,

In connection with the Goose Bay Lease covered by the Exchange of Notes made today, I wish to record the understanding of the Canadian Government that existing arrangements between the Governments of Canada and the United States regarding the operational activity or stationing of tactical or strategic formations shall continue to apply to Goose Bay.

The Canadian Government will expect to be consulted with regard to any proposal substantially to increase the numbers of United States personnel to be stationed at Goose Bay.

Yours sincerely,
BROOKE CLAXTON

[PIÈCE JOINTE 2/ENCLOSURE 2]

L'ambassadeur des États-Unis
au secrétaire d'État par intérim aux Affaires extérieures

Ambassador of United States
to Acting Secretary of State for External Affairs

CONFIDENTIAL Ottawa, December 5, 1952

Dear Mr. Claxton:

I acknowledge your letter of December 5, 1952 reaffirming the continued application of arrangements between our two Governments with regard to activities or stationing of formations at Goose Bay and the expectation of the Canadian Government to be consulted with regard to any proposal substantially to increase the numbers of United States personnel at Goose Bay.

The United States Government concurs in the understanding set forth in your letter.

Sincerely yours,
STANLEY WOODWARD

SECTION H

BASE LOUÉE DE HARMON : STATION DU RÉSEAU UNIVERSEL DE TÉLÉCOMMUNICATIONS

HARMON LEASED BASE: GLOBAL COMMUNICATIONS STATION

734. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa,] October 23, 1952

. . .

GLOBAL COMMUNICATIONS STATION: HARMON, NEWFOUNDLAND; AGREEMENT WITH THE UNITED STATES

33. *The Minister of National Defence as Acting Secretary of State for External Affairs* reported that, on November 8th, 1951, the Cabinet Defence Committee had considered a request by the United States for permission to establish global communications stations near Harmon and Pepperrell Leased Bases, Newfoundland. It had not been possible at that time to reach agreement on conditions relating to tenure. Since then the request for a station at Pepperrell had been dropped and a station within the proposed U.S. leased area at Goose Bay was to be constructed. There was still for consideration the request for a station near Harmon. The area within the leased base there was not adequate for the purpose. About 1020 acres were required and the U.S. Air Force proposed to spend approximately $15 million. A formula on tenure had been drafted which was acceptable to the U.S. government. It would provide that, in the event either government wished to discontinue the arrangement, the question of continuing need would be referred to the Permanent Joint Board on Defence. If either government decided following consideration by the Board that the facilities were no longer necessary for mutual defence the land together with any immovable facilities on it would, on 12 months' notice, revert to the use of the Canadian government. It was recommended that authority be given for an exchange of notes with the U.S. Ambassador to conclude the arrangement.

An explanatory note had been circulated.

(Acting Minister's memorandum Oct. 17, 1952 — Cab. Doc. 335-52)†

34. *The Cabinet* approved the recommendation of the Acting Secretary of State for External Affairs and agreed that he be authorized to proceed with an exchange of notes with the U.S. Ambassador as submitted concerning arrangements for the establishment of a global communications station near Harmon Leased Base, Newfoundland.[60]

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[60] Voir Canada, *Recueil des Traités*, 1952, n° 27.
See Canada, *Treaty Series*, 1952, No. 27.

SECTION I

TORBAY

735. DEA/50216-A-40

Note du sous-secrétaire d'État suppléant aux Affaires extérieures pour le secrétaire d'État aux Affaires extérieures

Memorandum from Deputy Under-Secretary of State for External Affairs to Secretary of State for External Affairs

SECRET Ottawa, April 21, 1952

TORBAY AIRPORT, NEWFOUNDLAND

I. *Facilities*

Torbay airport, the only civil airfield serving St. John's, is used by international civil aviation as an alternate for Gander. A small RCAF Search and Rescue squadron is based on the field. As the headquarters of the Northeast Command at the U.S. Leased Base at Pepperrell possesses no airfield, it uses Torbay extensively.

Torbay airport has four 5,000 foot runways. It is therefore not suitable for B-36 aircraft or for jet planes. Jet aircraft could use the field only if one runway were extended about 2,000 feet at an estimated cost of 1.5 to 2 million dollars. It might also be necessary to strengthen existing hardstands and construct one new one.

Of the three hangars at Torbay, one is shared by the Department of Transport and the RCAF, and the other two are used by the USAF. There are about 64 buildings of temporary type construction, most of which were built during the last war. The Department of Transport and the RCAF have used only a few of them since the end of the war.

II. *United States Interests*

The USAF would like to use Torbay airport for two purposes. First, it would be an Air Force general depot or "airhead" for Northeast Command. In this role the buildings at Torbay would be used for administrative purposes, troop accommodation and storage, and the runways would, as now, be used by aircraft on administrative flights. The USAF has now no intention of using Torbay for B-36 operations.

As a second purpose, the USAF wishes to use Torbay as a base for a jet interceptor squadron of 25 aircraft for the air defence of the area. The USAF has not yet submitted this request formally. It has not made clear whether it wishes to station these aircraft at Torbay in the near future, or whether it merely wishes to make provision for them on the outbreak of war. The USAF has not yet expressed a view on the operational responsibilities of this defence squadron.

Canada has already agreed to short term commercial leases (terminable on 30 days' notice) for about half the unoccupied buildings at Torbay; National Defence is now considering whether to agree to a U.S. request for similar leases for all the remaining unoccupied buildings. We understand that the USAF is spending large sums on the renovation and improvement of the buildings which it is leasing.

Torbay airport is now administered by the Department of Transport, but we understand that the RCAF has agreed in principle to take over responsibility for the station, when and if the USAF leases the remaining buildings.

III. *The Request for Buildings*

It would be difficult to refuse the U.S. request to lease the remaining unoccupied buildings for administrative use.[61] The USAF needs them now and we do not. Although we maintain our right to assume occupancy of the buildings on short notice, there might nevertheless be practical difficulties in recovering buildings on which the USAF had spent money which may equal their original value. To forestall this difficulty, we might consider reminding the USAF, through PJBD channels, of the short tenure; we might at the same time suggest that if Canada wishes to take over the buildings, the Canadian Government would consider compensating the USAF for its expenditures on the basis on the residual value to Canada.

IV. *Extension of Torbay Runways*

The extensive administrative use of Torbay by the U.S. Northeast Command at Pepperrell will inevitably affect the character of the airport to some extent even though the rights of civil air operators are protected. If it is left to the United States to extend the runways, it may be all the more difficult to preserve complete Canadian control of Torbay. Before the U.S. makes a request for permission to extend the runways, therefore, Canada might well consider the possibility of undertaking this work itself. The cost does not seem unreasonably high, and Torbay is an airport where the facilities are almost bound to be of residual value to civil aviation when defence needs are no longer so pressing. It may be a long time until the defence of Newfoundland is no longer a matter of serious concern, but it is possible that strategic considerations would dictate a shift in the emphasis on defence from St. John's to some other part of northeast North America. In this event it would be unfortunate if, because of its financial stake in the Torbay facilities, the USAF were reluctant to leave the field entirely to the Canadian authorities. It would be particularly embarrassing to have the U.S. press a claim, whether legally founded or not, in a Canadian area of such political importance. Canadian expenditure on the runways, therefore, may be well justified by considerations of sovereignty both at the present time and in the future if Torbay is no longer needed as a fighter base.[62]

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[61] Note marginale :/Marginal note:
I agree.

[62] Note marginale :/Marginal note:
I agree. L.B. P[earson]

V. *Torbay As a Fighter Base*

A second aspect of the sovereignty question arises in connection with the stationing of a fighter squadron at Torbay. If the only fighter squadron in Newfoundland were supplied by the USAF, in practice that squadron would be responsible for the defence of a large amount of Canadian territory. Although it is true that Newfoundland is a possible target mainly because of U.S. military activities, it seems more realistic to accept the fact that, for whatever reasons, air defence will have to be provided for Newfoundland. We have never agreed to U.S. responsibility for aerial defence of Canadian territory, and the only alternative is RCAF responsibility, with or without U.S. assistance.

At present, the only RCAF operational unit on the east coast is one squadron (sometimes two) at Greenwood; this is not defensive in character. If one RCAF fighter squadron were assigned to St. John's, and only if an RCAF squadron were provided, we could make a strong case for a reasonable voice in the defence of Newfoundland and ensure that the responsibility for the protection of Canadian territory remains in Canadian hands.

E. R[EID]

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736. DEA/50216-40

Le secrétaire d'État aux Affaires extérieures
au ministre de la Défense nationale

Secretary of State for External Affairs
to Minister of National Defence

SECRET Ottawa, May 1, 1952

My dear Colleague,

I am enclosing a copy of a memorandum† prepared in the Department of External Affairs on Torbay Airport, which I think you will find of interest.

I think that we may have to face three decisions concerning Torbay. I understand that your Department has now agreed to make available to the U.S.A.F. unoccupied buildings for use as a U.S.A.F general depot. I agree that this accommodation should be made available to the United States if it is not needed by Canada, and I hope that this matter will soon be considered by Cabinet Defence Committee.

Secondly, we may have to decide whether or not we shall offer to pay for the improvement and extension of runways at Torbay. Although the United States has not yet made a request, it seems likely that some work will be required to make the airport suitable for jet aircraft. Whether or not the aircraft using the base belong to the defence forces of the R.C.A.F. or the U.S.A.F., I think that we should seriously consider undertaking this work ourselves. Any such improvements made at Torbay probably would be of continuing value to both military and Canadian civil air operations. Since United States expenditure on permanent improvement of the base might well limit our freedom of action later, Canadian expenditures on the runways, may well be justified by considerations of sovereignty both at the present time and in the future.

The third decision is perhaps the most difficult of all as it is related to complex problems of manpower and financing. I think, however, that at some stage and possibly soon, we shall have to decide whether Canada or the United States is to be responsible for the air defence of Newfoundland. It seems to me that only if Canada provides some air defence forces can we make a strong case for a reasonable voice in the defence of Newfoundland, and ensure that the responsibility for the protection of Canadian territory remains in Canadian hands.

Yours sincerely,

L.B. PEARSON

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737. DEA/50216-A-40

Le ministre de la Défense nationale
au secrétaire d'État aux Affaires extérieures

Minister of National Defence
to Secretary of State for External Affairs

SECRET Ottawa, May 6, 1952

My dear Colleague,[63]

Thank you for your letter of May 1, 1952 about the requested expansion of Torbay airport and the more general question relating to the defence of Newfoundland.

You will probably recall that this matter came before the Cabinet Defence Committee on April 17, June 14, June 29 and December 12, 1951.

I enclose extracts of the decisions.†

A difficulty arising here is that apart from activities incidental to search and rescue, transport and maritime operations, which are relatively on a minor scale, the main role of the air forces based in Newfoundland is one for which the United States is exclusively responsible.

If we are going to take on the defence of the air stations there, we would have to provide appropriate fighter squadrons and ground defence forces, especially for the static defence of bases for which the U.S.A.F. had the primary need.

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[63] Note marginale :/Marginal note:
Mr. Pick said that the Minister saw, but did not comment upon, this letter. 9/5/52

This does not mean that we should not give the most serious consideration to extending our activities in that direction, but I feel that we might find that this could only be managed by reducing our air contribution to NATO. The more I go into this the more I feel that it will stretch the resources, both human and material, of this country to man, equip and maintain the twelve squadrons on the other side.

Yours sincerely,
BROOKE CLAXTON

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738. DEA/50216-A-40

Note de la I^{re} Direction de liaison avec la Défense pour le sous-secrétaire d'État par intérim aux Affaires extérieures

Memorandum from Defence Liaison (1) Division to Acting Under-Secretary of State for External Affairs

SECRET Ottawa, May 20, 1952

USAF REQUEST FOR ADDITIONAL BUILDINGS AT TORBAY

In Note No. 129 of December 3, 1951, the U.S. Embassy asked for permission for the USAF to obtain on short term lease a list of unoccupied buildings at Torbay. Some of these were to be used temporarily for an Aircraft Control and Warning Unit, and some were to be used on a more permanent basis to establish a General Depot.

With the authority of Cabinet Defence Committee, on January 8, we informed the U.S. Embassy that the USAF might lease the buildings required for the AC&W[64] Unit; the request for the buildings required for the General Depot was to be studied further.

On May 18, Mr. Pearson agreed that we might tell the U.S. Embassy that the USAF may lease the remaining unoccupied buildings at Torbay for the General Depot. On May 17, in a conversation with the Chief of Air Staff, Mr. Claxton agreed that such a reply might be sent to the U.S. Embassy without further consideration by Cabinet Defence Committee. On May 18, the Director of Air Services of the Department of Transport reported that he could speak for his Department in expressing concurrence with a favourable reply to the U.S. Embassy.

I now attach, for your approval, a Note to the U.S. Embassy, which gives permission for the USAF to lease the buildings which they requested. This Note, in draft form has been checked by the Director of Air Services of the Department of Transport, and by the Joint Staff in the Department of National Defence.†[65]

M.H. WERSHOF

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[64] Air Communications and Weather [Group], United States Navy.

[65] Note diplomatique D-148, 20 mai 1952.
Note D-148, May 20, 1952.

739. DEA/50216-A-40

Le sous-secrétaire d'État aux Affaires extérieures
au secrétaire d'État aux Affaires extérieures

Under-Secretary of State for External Affairs
to Secretary of State for External Affairs

SECRET Ottawa, June 12, 1952

TORBAY

As you know, the U.S. have been considering the development of another airport in Newfoundland but have finally come to the conclusion that Torbay would suit their requirements best, largely for logistic reasons. They have informed us that they do not now propose another Strategic Air Command base but merely a base for supplying outlying stations for headquarters purposes of the Northeast Command, as a base for a fighter squadron, and for staging purposes for military air transport. They have not yet formally proposed a plan but have sent plans forward at Service levels for discussion purposes. Since they have put the question of Torbay on the agenda for the meeting of the PJBD next week, it is anticipated that they will wish to discuss plans as well as terms.

Attached is a memorandum prepared for the Panel on Economic Aspects of Defence suggesting possible alternative arrangements.† The Panel was however unable to reach agreement on the most preferable course. The general view of the Panel was that the Canadian Section of the Board should be rather cool towards the development and should endeavour to elicit as much information as possible about U.S. plans in the region, as well as for Torbay.

It might be useful if MacKay and I could have a talk with you and Mr. Claxton about Torbay in order to obtain guidance for the PJBD meeting.[66] General McNaughton will be away this afternoon and tomorrow.

[L.D.] W[ILGRESS]

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[66] Note marginale :/Marginal note:
I agree.

740. DEA/50216-A-40

Note de la Iʳᵉ Direction de liaison avec la Défense pour le chef de la Section canadienne, CPCAD

Memorandum from Defence Liaison (1) Division to Chairman, Canadian Section, PJBD

SECRET Ottawa, June 13, 1952

MEMORANDUM FOR GENERAL MCNAUGHTON

TORBAY

Mr. Wilgress and I had a short session with Mr. Pearson and Mr. Claxton today on the question of Torbay. The sense of the meeting was that we should be cool towards the U.S. proposals and try to find out (a) whether they felt that the development of Torbay in the immediate future was really necessary, and (b) whether the programme which we have received informally is the final word, or whether there is a likelihood of further expansion of Torbay or development of another airfield in the area. It was felt further that we should emphasize to the American Section that expansion of their facilities in the vicinity of the Provincial capital is undesirable from our standpoint. On the other hand, it was felt that we should not press them into proposing another site in the Newfoundland area unless it is clear that they have ultimately very large developments in mind. With respect to tenure, no conclusion was reached except that we should be "tough".

Mr. Pearson expressed the view, although rather casually, that we should develop the field ourselves. Mr. Claxton did not seem averse to our doing at least part of it. Mr. Claxton seemed to feel also that sooner or later we should have a fighter squadron in the Newfoundland area. Mr. Pearson seemed to feel even more strongly that we should do so. Mr. Claxton said, however, that Air Force plans would not at present permit.

R.A. MACKAY

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741. PCO

Extrait du procès-verbal de la réunion du Comité de la défense du Cabinet

Extract from Minutes of Meeting of Cabinet Defence Committee

TOP SECRET Ottawa, August 26, 1952

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V. *Permanent Joint Board On Defence; Journal of June, 1952; U.S. Development of Torbay;. . .*

14. *The Secretary* submitted the Journal of the Permanent Joint Board on Defence for June, 1952.†

15. *The Minister of National Defence* referred to the discussions at the Board's June meeting in the course of which tentative U.S. proposals for the

development of Torbay airport had been outlined. Since this subject would be discussed by the Board in September, he thought it would be useful for the Committee to give some general guidance to the Canadian members.

He considered that every effort should be made to learn the full extent of possible U.S. development at Torbay and elsewhere in Newfoundland. Any arrangement for U.S. activities should not contemplate any long-term lease or delegation of Canadian authority. Canadian control should be exercised by the Department of National Defence.

Available construction might be leased to the United States on a short-term basis. New construction should be financed by the United States unless it was of continuing use to Canada for civil or military purposes.

If the United States considered it necessary to station a fighter squadron or other defensive formation permanently at Torbay or at other places in Newfoundland elsewhere than on the leased bases, and the Chiefs of Staff agreed, this should be the responsibility of the Canadian Services. It seemed desirable, if it were really necessary, even to reduce overseas commitments to ensure that fighter defence formations in inhabited areas of Canada would be provided by the R.C.A.F. rather than the U.S.A.F. If, however, a squadron was required for protection only at the time of staging operations of strategic air forces, there seemed no objection to allowing the United States to furnish it.

An explanatory memorandum had been circulated.

(Minister's memorandum, August 21, 1952 "U.S. development at Torbay," Cab. Doc. D-3577)

16. *The Prime Minister* said that if the Chiefs of Staff agreed to the necessity of providing fighter squadrons anywhere in inhabited Canada, it would be desirable to have the R.C.A.F. provide those squadrons as it would be difficult to defend the posting of Canadian squadrons overseas while U.S.A.F. defensive formations were permanently stationed on Canadian soil.

. . .

18. *The Committee*, after further discussion:

(a) noted the Journal of the Permanent Joint Board on Defence of June, 1952;

(b) noted the memorandum on Torbay airport and related matters submitted by the Minister of National Defence, and agreed that it be used by the Canadian members of the Permanent Joint Board on Defence as the basis for their discussions with U.S. officials;

. . .

742. DEA/50216-40

Procès-verbal de la réunion spéciale du Comité des chefs d'état-major
Minutes of Special Meeting of Chiefs of Staff Committee

TOP SECRET Ottawa, September 17, 1952

Present:

The Chairman, Chiefs of Staff (Lieutenant-General Foulkes)
The Chief of the Air Staff (Air Marshal Curtis)
The Chief of the General Staff (Lieutenant-General Simonds)
The Chief of the Naval Staff (Vice Admiral Mainguy)
The Acting Chairman, Defence Research Board (Mr. Davies)

Also Present:

C.M. Drury, Esq.,
  Deputy Minister of National Defence
L.D. Wilgress, Esq.,
  Under-Secretary of State for External Affairs
R.A.J. Phillips, Esq., representing
  Secretary to the Cabinet
Commodore Rayner,
  Coordinator, Joint Staff
Secretary, Chiefs of Staff (Lieutenant-Colonel Kingstone)
Assistant Secretary, Chiefs of Staff (Wing Commander Bell)

II. *Discussion Between the Chairman, Chiefs of Staff and General Bradley on US Installatons in Canada*

5. *The Chairman* said that he explained to General Bradley that it might be useful if he knew the views of the Canadian Government on any further US installations in Canada. The Canadian Government did not wish to enter into any long term leases or agreements for further US installations in Canada. It would be more acceptable if the US could limit their requirements to the leased bases. It was stressed that in time of war it was a different matter, but in peacetime public opinion had to be considered and that there were certain elements in Canada who voiced the view that Canada was allowing the US to defend certain parts of the country. Therefore, further requests for concessions in Canada would create a very difficult political problem.

With regard to Torbay, it was emphasized that US requests for facilities at this base presented a difficult problem, because Torbay is the airport of St. John's and still a civil airfield. If large American installations were established at this airfield it would create a further requirement for defence arrangements for these installations including fighter squadrons. This would pose the question as to whether these fighter squadrons were American or Canadian and neither solution would be satisfactory. It would be difficult for the Canadian services to undertake the responsibility for the defence of US installations. On the other hand, it would be politically unacceptable to have a US fighter squadron stationed at Torbay as this would be interpreted as a squadron for the defence of the city of St. John's as well as the base at Torbay.

General Bradley said that he was not convinced that there was a real requirement for an USAF depot at Torbay. It appeared that this request had arisen because the USAF, who now had depot space at Argentia, had been requested by the USN to vacate this space. General Bradley undertook to discuss this matter with the USAF to see if their request could not be withdrawn.

With regard to the question of fighter squadrons operating for the defence of Strategic Air Command operations, it was pointed out that it would be more acceptable if the US would avoid submitting requests for fighter squadrons to be permanently stationed on Canadian territory in peacetime. It would be more acceptable if fighter squadrons were brought up periodically in support of Strategic Air Command exercises or to protect Strategic Air Command operations in case of an emergency. In this way it should be possible to familiarize the pilots with these areas of operations and to make all preliminary arrangements for use in an emergency. General Bradley had said that he would discuss the matter with General Walsh, USAF.

The question of anti-aircraft sites on Canadian territory was also discussed and it was pointed out that the actual stationing of troops on Canadian territory would be a very difficult proposal for the Canadian Government to accept. General Bradley had said that they were trying to provide defence against a sneak raid and suggested that perhaps a reciprocal arrangement could be worked out to provide alternative sites for both Canadian and US anti-aircraft artillery on both sides of the border. It was emphasized that this arrangement would create a difficult problem for Canada as Canadian anti-aircraft artillery was only a reserve organization and no Canadian Troops could be stationed alongside US units in Canada. General Bradley had said that he was not aware of this situation and would undertake to discuss the matter with General Collins.

With regard to additional early warning sites in Canada, General Bradley had said that it was his understanding that these new stations were to be in addition to the present integrated air defence scheme but that he thought they should form part of the Canadian/US air defence scheme.

6. *The Chief of the Air Staff* suggested that, in order to avoid having US fighter squadrons permanently stationed in Canada, the US might arrange to rotate their squadrons.

7. *The Committee* noted the remarks of the Chairman, Chiefs of Staff.[67]

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[67] Voir les documents 706-707 et 711-712./See Documents 706-707 and 711-712.

SECTION J

RELATIONS EN MATIÈRE DE DÉFENSE DANS LE NORD
DEFENCE RELATIONS IN THE NORTH

743. DEA/50046-40

Note du Bureau du Conseil privé pour le greffier du Conseil privé

Note from Privy Council Office to Clerk of Privy Council

SECRET Ottawa, December 29, 1952

A few days ago I mentioned to you that we hoped to use the occasion of the presence in Ottawa of most officials interested in the Arctic to discuss some Arctic problems which did not appear on the agenda of our Canada-U.S. conference. It seems opportune that we should do so now since we have recently had an indication of the emergence of new Arctic problems as a result of increased U.S. activity in this area.

I have been in close touch with officials of other departments concerned with the Arctic, particularly Defence Research Board and External Affairs. We are to have an informal meeting on December 30 to discuss the ground which we might most usefully cover at the Canadian meetings in the first week of January. Officials in External Affairs are considering a memorandum to their Minister suggesting a general approach to the Deputy Minister of Resources and Development.

I should much appreciate an opportunity of a conversation with you on this subject in order to obtain guidance on the line we should take in the discussions on January 6-7. I have therefore prepared a memorandum which outlines some of the problems and which lists some of the possible steps which Canada might take to develop the Arctic. Few of the possible solutions may be practicable in the coming year, but I think that it would be useful as a starting point to consider all theoretically possible avenues of activity.

The attachment to the memorandum refers to a few unfortunate incidents which have taken place in the Arctic. I have checked the authenticity of these as carefully as possible, but I have been asked to use them with caution in order to avoid embarrassment to those who were kind enough to make some of the information available to me. One or two of the incidents have come very close to being made public. The first listed, for instance, appeared in a manuscript written by Peter Inglis, which he agreed to suppress at the request of Mr. Claxton.

The memorandum draws no conclusions and makes no recommendations. Perhaps you would be good enough to let me know when it would be convenient for us to have a word about this subject.

R.A.J. P[HILLIPS]

[PIÈCE JOINTE/ENCLOSURE]

PCO

Extrait de l'annexe à la note
Extract from Attachment to Memorandum

SECRET

INCIDENTS

1. On 5 March 1952 an RCAF Lancaster aircraft carrying out photography of the coast of Baffin Island was in touch with Thule air base. When the nature of the mission was mentioned as a photography exercise, Thule Operations inquired on whose authority the flight was being carried out. They were advised that it was on the authority of the Canadian Government. Thule then passed instructions from base operations that photography was to cease immediately and the aircraft was to proceed and land at Thule and remain there until authority to proceed was granted. The instructions were not carried out.

2. In the spring of 1952 the USAF approached Canada through service channels for permission to use Alert for the support of a party to be landed on one of the ice islands. The USAF was informed that the request would have to go through State Department/External Affairs channels. A message was received by Tac Air Group from Alaska Air Command that the operation would nevertheless proceed. The USAF party was established on the ice island, Alert being used for refuelling on the return journey. This all took place before the official U.S. request had reached the Canadian Government.

3. In giving permission for the use of Alert in the spring of 1950 to support the station on the ice island T3, the Canadian Government explicity stated that it would expect to be informed, prior to the event, if landings were to be made on any other ice island. In fact landings were made, not only on the ice island itself, but also on Ellesmere Island and on the Ellesmere shelf ice. No request for permission for these landings was sent to Canada.

4. Permission was given in 1952 for the establishment of a temporary shore station on Banks Island by the USN icebreaker *Burton Island*. The station was established. Unfortunately the personnel at the station largely destroyed an Eskimo archaeological site by digging for curios. The site was close to a native camp where the regulations protecting such sites were known and have been respected for many years.

5. During the time that Frobisher was still operated by the USAF, immediately prior to the RCAF taking over its operation in 1950, at least one RCAF aircraft was refused permission to land as it was a USAF base.

6. At Padloping in 1951 the USAF weather station was reluctant to let the *C.D. Howe* anchor, intimating that it was a U.S. base.

7. In 1950, while the establishment at Thule was beginning, a beacon was established by the USAF at Clyde Inlet. So far as can be determined this was

done without reference in any way to any Canadian authority, and it was a complete surprise when the beacon was found to be operating.

8. Scandinavian Airlines has carried out its pioneer flights on the polar route from Edmonton to Thule to Copenhagen. The major part of this route lies over north Canada. It is understood that Scandinavian Airlines were taking USAF personnel on these flights to advise on facilities and navigation. Certainly USAF charts were being used for areas where superior Canadian aeronautical charts exist. It should be noted that in much of this area Canada is responsible for search and rescue.

9. Many of the meteorological summaries on the joint weather stations are published by the U.S. Weather Bureau. It seems unfortunate that the publication of such data as the meteorological conditions at Eureka Sound is not done by Canada.

10. Although air traffic control in northeast Canada is officially an RCAF responsibility, it has become the practice at Goose Bay for Northeast Air Command, USAF, to request flights north from Goose to be cleared through Northeast Air Command Operations. Under present conditions it can only be a matter of time before this practice is extended to Frobisher and in fact for the whole Northeastern Arctic.

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744. PCO

Note du Bureau du Conseil privé pour le greffier du Conseil privé

Memorandum from Privy Council Office to Clerk of Privy Council

SECRET Ottawa, December 29, 1952

DEVELOPMENTS IN THE ARCTIC

There follows a list of possible developments in the Arctic for the coming year, mainly as a result of U.S. requests. An explanatory map is attached.†

(1) *Project Lincoln*

In 1953, the United States will wish to establish three or four experimental early warning radar stations, probably on the extreme northwest of the Canadian mainland. According to plans favoured by many U.S. officials, this will be the beginning of a chain of about 40 radar stations to be established at tremendous cost across the Canadian Arctic. The stations would probably be manned by the United States. Although Canadian defence scientists have some differing views on the value of such stations, if the United States decides to go forward with this scheme we may anticipate heavy pressure, both official and public, since the installations would be designed for the protection of North American cities.

(2) *Development of airfields at Alert and Eureka*

The U.S.A.F. wishes to develop extensively the airstrips at the two northernmost joint Arctic weather stations, on Ellesmere Island. Although the

U.S. Northeast Air Command has described their requirement as "emergency landing facilities", they wish to have runways suitable for the heaviest freighters and for jet aircraft. I understand that they are considering blacktop.

At these two joint Arctic weather stations there is now a total of seven Canadians. If the airfields were developed, the installations would probably assume the character of small U.S. bases, and Canadian control might well be lost.

(3) *Loran station on Baffin Island*

The United States wishes to establish a Loran station on the east coast of Baffin Island to assist ships and aircraft en route to Thule and other Arctic destinations.

It was only in 1952 that the government decided to take over the last three Loran stations under U.S. control on the Atlantic coast, and the transfer is to take place in 1953. If the Baffin Island station is opened and operated by the United States, the pattern of Canadian control over all Loran stations in Canada will again be broken.

(4) *Radar stations in the Northeastern Arctic*

Over a year ago, the United States asked to make surveys as a preliminary to the establishment of radar stations on Ellesmere and Coburg Islands for the protection of Thuie. During the spring airlift in 1952, the U.S.A.F. investigated the possibility of putting these radar stations in the vicinity of the Joint Arctic Weather Stations at Alert, Eureka and/or Resolute. Resolute, with about 35 Canadians, has the largest Canadian community in the Arctic Archipelago. Alert and Eureka have seven Canadians between them. Each U.S. radar station would probably have about 200 U.S. servicemen.

(5) *Communications facilities*

The U.S.A.F. is concerned about the inadequacy of communications links for transmission of Arctic weather information and about the inadequacy of radio aids to navigation in the North.

Some of the needed improvements which may be suggested will probably be in southern regions where they are for the support of Arctic operations. Since this is a technical matter on which I am not well briefed, I can add no further details, but I expect that the improvements will be costly and will probably have to be provided, if they are provided at all, by the Department of Transport.

It is government policy to attach importance to the maintenance of Canadian sovereignty in the Arctic. Until now the main activity in that area has been the weather station programme. We have maintained our tenuous position by providing half the staff, but in the entire Archipelago we have less than 50 men. This figure is now matched by the United States. Any new U.S. activity is bound to change the delicate balance of manpower in the northern Arctic. This in itself, of course, is not necessarily serious, but I think that our experiences since 1943 have indicated the extreme care which we must exercise to preserve Canadian sovereignty in remote areas where Canadians are outnumbered and outranked.

About a year ago Mr. Pearson remarked in private that he wondered how good our claim was to some areas of the Arctic. If it must rest on discovery and continous occupation, it may well be in future that our claim to some relatively unexplored areas will be shaky indeed. I am not now worried by formal claims, since the U.S. Administration has been eminently reasonable during the past six years that we have been working together in the Arctic. Probably of much greater concern is the sort of *de facto* U.S. sovereignty which caused so much trouble in the last war and which might be exercised again. There have already been incidents which, if they had reached the public ear, might have embarrassed the government. Attached to this memorandum is a list of incidents and some extracts from military reports, all of which bear on the question of sovereignty. Needless to say this list is not exhaustive, and contains references only to matters which have come to my attention in the past year or two. Most of the incidents are petty in themselves, but they indicate an atmosphere which is not ideal. And, of course, these incidents have occurred when Canada was more or less matching U.S. manpower in the Canadian Arctic, a situation which may not long continue.

In the entire Canadian Arctic Archipelago, there are only four places where there are exclusively Canadian installations. (The R.C.M.P. is, however, planning to establish a post at Cape Herschel on Ellesmere Island.) There are small weather stations at Arctic Bay and at Pond Inlet. At Resolute Bay, where there is a Joint Arctic Weather Station, there is also an R.C.A.F. station, which is manned entirely by the R.C.A.F. About two years ago, the U.S.A.F. suggested putting new radio equipment with U.S. operators there but the proposal was resisted. At Resolute, there is also a Canadian ionospheric station (6 men, 1 hut). There is at least a possibility that the United States will ask to put a U.S.-manned radar station with between 100 and 200 men at Resolute. The other Canadian installation is the Arctic survival school open in the winter months at Cambridge Bay in the Southern Archipelago. There are three or four Canadians at each of the Joint Arctic Weather Stations (Resolute — 6). The United States still mans the weather stations at Padloping Island. Although Cabinet directed that Canada should take it over by 1950, the Department of Transport has been unable to find the manpower to do so. In addition, of course, the United States also has an installation on an ice island known as T3 which, I am told, has now drifted well into the Canadian sector. Alert and Eureka have been used as staging points for supply, but I gather that the U.S.A.F. plans to use Thule as a base rather than Eielson in Alaska as hitherto. The U.S.A.F., and the U.S.N., are actively interested in finding and possibly manning other ice islands near the Pole. I understand that Canada makes no territorial claim to ice islands within the Canadian sector, and hence our main interest in these stations is in their support which may involve flights to and/over Canadian territory.

There is not a single agreement covering the presence of any Americans in the Arctic Archipelago. The Joint Arctic Weather Station Programme was established in 1947 under terms approved by Cabinet, but we never finished drafting an agreement with the Americans covering the conditions of their presence. At the present time, for instance, Canada has no clear right to increase its staff at any of the weather stations in Canada beyond 50% of the total staff. In view of the close relationships with the Americans, this is probably not a serious matter, except that it might be embarrassing if anyone asked under what terms they were operating in the Arctic. The lack of agreement may also tend to encourage the impression often held, it seems, by U.S. officers, that the Archipelago is a no-man's land. There was a general understanding that the weather station programme would last for five years but so far there has been placed before Cabinet no serious re-examination of the basis of the weather stations following that five-year period which expired almost a year ago.

Summary

You may conclude from this account that emphasis on the Arctic by Canadian officials would not be misplaced. Without assessing their value, their cost, or even their practicability, I list below some possible courses of action:

(1) Canada might gradually take over the manning of the whole Arctic weather chain. This would require only about 20 more men. We would still be dependent upon the United States for some equipment, for the sea supply, and would probably wish to have the help of the U.S.A.F. for part of the air supply. I believe that the U.S.-Danish joint arctic weather stations in Greenland are manned entirely by Danes, with U.S. assistance in money and transport only. There are advantages to such an arrangement in the maintenance of sovereignty, in the gaining of valuable experience and in the preservation of morale at the installation.

(2) Canada might gradually increase its part in the sea supply mission. Until now there have been no Canadian ships, but in 1954 the new R.C.N. icebreaker will probably take part.

(3) The R.C.M.P. might open up new posts in the Arctic. There is a proposal that the post at Resolute should be reopened and I recommend that we support this idea. The Department of Transport is in favour.

(4) Canada might, as Cabinet directed, assume responsibility for the Padloping Island weather station now manned by the United States. This would require no more than 12 men.

(5) Canada might adopt a policy that all radio aids to navigation in Canada be Canadian-operated. Now, for example, the beacon at Clyde is operated by the U.S.A.F.

(6) If it is necessary to improve the airstrip facilities at Alert and Eureka, Canada might take full responsibility, letting the United States provide only materials and transport.

(7) If a Loran station must be established on Baffin Island, Canada might man it.

(8) The expeditions of exploration and flag raising which the Canadian government sponsored in the past might be revived. They would now be particularly useful for we know enough about the Arctic to know what more we have to learn in the scientific field. The expeditions could be sponsored by such departments as Mines and Technical Surveys, Resources and Development, the Defence Research Board and the R.C.M.P., possibly with some U.S. participation. With the use of air transport, rather than ships, and of scientists already in government service, the cost would probably be modest, and much less than for expeditions earlier in the century.

(9) The government might consider extending the boundaries of the electoral district of Mackenzie River to include the whole of the District of Franklin; it now stops at the coastline of the mainland. There would probably be no material results, but the psychological and possibly legal effect might be useful.

(10) We might encourage greater emphasis on, and greater attention to, the Arctic in civilian and service departments by such methods as

(i) Using more effectively existing committees such as the advisory Committee on Northern Development.

(ii) Reorganization within government departments to facilitate the co-ordination of Arctic activities and the exchange of information.

(iii) Encouraging (orally and entirely informally) National Defence College and possibly the staff colleges to study Arctic problems more fully.

(iv) Lectures and films for government officials. External Affairs, for instance, now appears interested in devoting some time to the Arctic in the instructional period for new officers. There are some first rate films on the Arctic rarely seen outside small circles of Arctic specialists.[60]

(v) Occasional speeches by Ministers or senior government officials on the development of the Canadian Arctic.

(11) We might re-examine the basis of existing U.S. activities in the Canadian Arctic and try to have some form of unclassified written agreement setting forth the conditions of U.S. tenure.

R.A.J. P[HILLIPS]

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[60] Le document original porte la mention :/The following is in the original:

I have written a pamphlet, to be published in February, for the Bureau of Current Affairs; it will have an official circulation of about 10,000 and will be put on sale to the public. R.A.J. P[hillips]

745. DEA/50209-A-40

Note du sous-secrétaire d'État aux Affaires extérieures
pour le secrétaire d'État aux Affaires extérieures

Memorandum from Under-Secretary of State for External Affairs
to Secretary of State for External Affairs

SECRET Ottawa, December 31, 1952

NORTHERN ARCTIC DEVELOPMENTS

I wish to draw to your attention some of the prospective new developments in the Arctic of which this Department has become aware in recent months. While some may fail to materialize, the Canadian Government has already received, or can expect in the near future to receive, requests for approval for most of them. These prospective developments include the following:

(a) The establishment by the United States of three or four experimental early warning stations with a view to the ultimate development of a complete Arctic radar chain of possibly 40 stations;[69]

(b) The development by the United States of the air strips at Alert and Eureka and construction of a new air strip at River Clyde to a standard suitable for large transport aircraft and jet fighters to meet the need for emergency alternates for Thule and for Arctic resupply missions;

(c) The establishment of one or two Loran stations on the east coast of Baffin Island to meet the needs of ships and aircraft en route to Thule and other Arctic points;

(d) The establishment of two Early Warning/GCI radar stations, one on Coburg Island and one on Ellesmere Island as a part of the defensive installations in connection with the U.S.A.F. base at Thule;

(e) The opening of a commercial air route across the Arctic, from Edmonton to Thule.

2. As you know the Canadian Government at the end of the last war embarked on a vigorous programme intended to "re-Canadianize" the Arctic. It was carried out under the aegis of the Advisory Committee on Northern Development and included the take-over from the USAF of a number of wartime air fields, weather stations and communications facilities, the development of new transportation and communications facilities with a view to reducing Canadian dependence on U.S. resources, and the establishment in cooperation with the United States, of the joint Arctic weather stations. This programme was well on the way to completion by 1949 and the Advisory Committee has not met to review progress since December of that year.

3. These prospective new developments in the Arctic suggest to me that there is every likelihood in the course of the next three or four years of a new influx of U.S. citizens to the Arctic. One probable consequence is that the number of

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[69] Note marginale :/Marginal note:
(15 in the first string in Canada).

U.S. citizens in the District of Franklin will probably be substantially greater than the number of white Canadians. Furthermore, if Canadian transportation and communications facilities cannot meet the load that these developments are bound to create, there will be a demand from the United States that it be permitted to do so, thus involving additional U.S. commitments.

4. If this analysis of the situation is correct, then it would seem that now is the time to give serious consideration to the adoption at the highest level of a vigorous policy in all Canadian Arctic services including communications, transportation, aids to navigation, meteorology and police.[70] I am of the opinion that it should be considered as a matter of some urgency since past experience has shown that a lengthy period is required, when dealing with Arctic activities, to convert decisions into realities.

5. If you agree, I propose to write to General Young, both in his capacity as Deputy Minister of Resources and Development and as Chairman of the Advisory Committee on Northern Development, and suggest to him that this matter might be an appropriate subject for consideration by the Advisory Committee. However, in view of the current budgetary situation, I felt that before doing so I should obtain your views as to the usefulness and expediency of promoting a study of this problem at the present time.[71]

L.D. W[ILGRESS]

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746. DEA/50209-A-40

Note du secrétaire d'État aux Affaires extérieures pour le greffier du Conseil privé

Memorandum from Secretary of State for External Affairs to Clerk of Privy Council

SECRET Ottawa, January 15, 1953

I am returning herewith the papers on "Northern Arctic Developments" which you were good enough to let me see.

You were right when you indicated that I had probably already seen the memorandum from Mr. Wilgress to myself, which I had returned to him with a notation that we should look into this whole question as one of urgent importance. My feeling in this regard has been very much increased by the impressive memorandum to you from Phillips. I wonder whether it would be possible for a copy of this to be sent to Mr. Wilgress.

One of the most important questions facing us now is this one of Arctic development and the danger of being excluded from such development on our own territory by U.S. penetration. I would like to have a talk with the Prime Minister about it as soon as possible preparatory to a full consideration of the question, either in Cabinet or by a Committee of the Cabinet. It is difficult to view with equanimity some of the things that are going on in the north to which reference is made in Phillips' report. In this regard I am not so critical of United States action as I am of our own inaction.

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[70] Note marginale :/Marginal note:
I agree 100%.

[71] Note marginale :/Marginal note:
I think that it is important that this study should be made. L.B. P[earson]

L.B. Pearson

Section K

FROBISHER BAY

747. DEA/703-AM-40

Note de la I^{re} Direction de liaison avec la Défense

Memorandum by Defence Liaison (1) Division

Secret Ottawa, January 11, 1952

Memorandum for Mr. MacKay

U.S. FACILITIES IN CANADA

At Frobisher Bay there are now about 37 members of the R.C.A.F. and about 150 members of the U.S.A.F. The R.C.A.F. is reluctant to increase its strength and might even be tempted to decrease it. Cabinet Defence Committee considers that Frobisher Bay should be a Canadian base under Canadian command and control. The situation at Frobisher Bay raises a much larger question: What is command and control?

2. I think it is quite clear that no dictionary meaning of command and control is useful to us. What we need is a definition of the term for the particular area of the Far North, for the particular time of 1952. On an air station, command and control might be exercised in one of three ways:

(1) A joint station in which the Canadians provide the commanding officer, the staff to control the important facilities especially the control tower, and the staff to provide all housekeeping facilities. Under this arrangement quite clearly the U.S.A.F. is present on a lodger basis and there is no threat to Canadian command and control;

(2) A joint station in which the Canadians provide the commanding officer and control only the important facilities, especially the control tower. Under this arrangement few Canadians would be needed and they would, of course, be far out-numbered by the U.S.A.F. which provides housekeeping in addition to performing maintenance tasks required by its own operations;

(3) A joint station with a Canadian commander but virtually no other Canadian personnel.

3. The question is which of these three is the Government prepared to accept, both at Frobisher and elsewhere in the North?

4. I think we may assume that the R.C.A.F. wishes to tie down as few men as possible in the North if the men's main function is to fly the Canadian flag and support U.S. operations. Unfortunately, the policy of appointing a Canadian commander without supporting forces can lead to administrative difficulties,

and there may be some doubt whether this really guarantees the Canadian position.

5. I think it important to consider this problem now because it has arisen in immediate form at Frobisher Bay. The R.C.A.F., which this week has been discussing Frobisher Bay with the U.S.A.F., is disposed to leave at Frobisher Bay only a commanding officer and a few men to operate the control tower. This may be entirely satisfactory, but I do not think that it would be wise to accept this decision only at the service level without giving political consideration to the implications. The question is, of course, not only Frobisher Bay — Frobisher Bay is merely the first place where the question of command and control has arisen in acute form at the present stage of our defence relations with the United States.

6. I have already explored this question with W/C Hull who is sympathetic to the suggestion that political consideration should be given to this whole question of command and control. I think that it is necessary for us now to have a discussion with the R.C.A.F. (A/V/M Miller?) on our whole policy for air stations in the North.

7. Do you agree?[72]

R.A.J. PHILLIPS

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748. DEA/703-AM-40

Note de la I^{re} Direction de liaison avec la Défense

Memorandum by Defence Liaison (1) Division

SECRET Ottawa, February 12, 1952

MEMORANDUM FOR MR. MACKAY

COMMUNICATIONS FACILITIES AT FROBISHER BAY[73]

In November the Department of National Defence (Wing Commander Hull) requested by telephone permission to clear through the service channel two USAF requests in connection with communications facilities at Frobisher Bay. The first USAF request was for permission to man and operate existing VHF and HF/DF radio equipment at Frobisher Bay to be used for long range navigation. No new installations would be required.

The second USAF request was for permission to install and operate at Frobisher Bay a VHF radio station to be used for flying control purposes.

It was anticipated that if these requests should be granted the USAF would operate the existing VHF and HF/DF equipment referred to in the first request, and would install and operate the VHF equipment referred to in their second request. We raised this matter with the Under-Secretary in a memorandum dated November 15, 1951, which suggested that the requests should be cleared through the service channel on the understanding that operation and installation of the equipment in question should be in accordance with the terms of our Note No. D-270 of September 24. Mr. Reid, Acting Under-Secretary at the time, agreed, and in our letter of December 5, to Chief of the Air Staff we indicated that we would have no objection to the settlement of these particular requests at the service level subject, of course, to the concurrence of the Department of Transport.

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[72] Note marginale :/Marginale note:
Yes! R.A. M[ackay]

[73] Notre copie du document porte la mention manuscrite suivante :/The following was written on this copy of the document:
& "Command & Control".

With a letter dated February 7, to Mr. Phillips from Wing Commander Hull,[†] there were enclosed copies of correspndence between

(a) the U.S. Air Attaché and the Assistant Chief of the Air Staff, and

(b) Headquarters, Northeast Command, Pepperrell to the U.S. Air Attaché, Ottawa, and

(c) from the Chief of the Air Staff (RCAF) to the U.S. Air Attaché.[†]

In the letter from the Chief of the Air Staff to Colonel Pillet, it was stated that the Department of Transport had informed the RCAF that they would not be able to "reactivate" the HF/DF station nor would they be able to install and operate the VHF/DF facilities at Frobisher Bay. Transport would, however, have no objection to installation and operation of the necessary communications facilities for flying control purposes, but they would recommend that if the USAF is to operate the HF/DF station they should, for technical reasons, operate also the air-ground frequencies now operated by the Department of Transport. The RCAF indicated to Colonel Pillet that they would agree with the views expressed by Transport subject to the provision that "the RCAF reserve the right to take over the control and operation of the control tower at a later date." Accordingly, the RCAF authorized the USAF to install and operate the required communications facilities, and to operate on a temporary basis the VHF air-ground facilities in the control tower. The RCAF requested that the USAF inform them whether they wished to take over operation of the air-ground frequencies being operated by the Department of Transport.

Comment

You will notice that in their letter to Colonel Pillet, the RCAF made no mention of the conditions which we had specified in our letter of December 5, to the Chief of the Air Staff, namely that any USAF installation or operation of radio equipment at Frobisher Bay would have to be in accordance with the terms of Note No. D-270 of September 24, 1951.

In the meantime, Wing Commander Hull and Mr. Phillips had begun discussions concerning the question of command and control which had specific application to the situation at Frobisher Bay. In his memorandum of January 11, Mr. Phillips, you will recall, mentioned three possible ways of retaining Canadian command and control of an air station. Two of the methods mentioned in Mr. Phillips' memorandum required that control of the control tower should be retained by the Canadian services. The third method visualized a joint station with only a Canadian commander, and as Mr. Phillips pointed out, this would likely lead to administrative difficulties, and there would be some doubt whether the Canadian position was adequately protected.

Mr. Phillips drew attention to the political implications of the problem, and suggested that it was time for us to have a discussion with the RCAF on "our whole policy for air stations in the North."

It appears now that Frobisher Bay is rapidly approaching Mr. Phillips' third category, namely a "joint station with only a Canadian commander." Although the RCAF have reserved the right to "take over the control and operation of the control tower at a later date," I think they will be loathe to do so because of the additional commitment of men which would be required. The Department of Transport, who might have served as "protector" of Canada's political interests at Frobisher, have indicated that they are unable to accept any further commitments, and in fact, they are willing to turn over to the USAF the operation of communications equipment now being operated by Department of Transport personnel. This clearly is an undersirable situation at Frobisher, which points up the necessity of reaching some agreement with the RCAF on the question of "command and control."

D.R. T[AYLOR]

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749. DEA/703-AM-40

Note de la Ière Direction de liaison avec la Défense

Memorandum by Defence Liaison (1) Division

TOP SECRET Ottawa, February 16, 1952

MEMORANDUM FOR MR. MACKAY

RCAF-USAF PROPOSAL TO ESTABLISH A MILITARY NETWORK OF AIR TRAFFIC CONTROL IN THE CANADIAN NORTH

Since our preliminary discussion concerning the attached correspondence from Mr. Chevrier to Mr. Pearson,[†] I have been in touch with W/C Woolfenden of the RCAF who gave me the following information.

2. The proposal to establish a network of air routes and a system of air traffic control in North-eastern Canada, the Canadian Arctic and Greenland was originated by RCAF Air Transport Command. The purpose of the proposal is to expedite military air traffic flying out of Goose Bay to Frobisher Bay, Coral Harbor, other points in Northern Canada and to the USAF Base Thule, Greenland.

3. According to W/C Woolfenden, the USAF would provide all the men and equipment needed for the air routes and traffic control for flights out of Thule, and the RCAF would provide the men and equipment for the air routes and traffic control for flights originating from air fields in Canadian territory, with one exception.

4. The one air base for which the RCAF would not provide the required men and equipment is Frobisher Bay. I should think that this is related to the other question concerning Frobisher which is currently being considered in this

Division namely the RCAF's action in turning over to the USAF the operation of the flying control facilities at Frobisher.

5. I pointed out to W/C Woolfenden, that if the proposal for air routes and traffic control was a joint USAF-RCAF proposal, (as Mr. Chevrier stated in his letter to Mr. Claxton) then this Department should have been consulted. W/C Woolfenden agreed that we should be consulted on any joint USAF-RCAF project of this kind. He said at first that he was not sure that the proposal for air routes and traffic control was a joint project. Later, however, he agreed that in view of the arrangements proposed for Frobisher Bay, that in some respects, at least, the project was a joint one on which we should have been consulted. As I mentioned to you previously, W/C Woolfenden agreed to send us copies of the RCAF proposal and of the correspondence concerning it. He said also that S/L Austin would be available to discuss the question at our convenience. (I understood that S/L Austin attended discussions on this proposal at Goose Bay with USAF representatives.)

D.R. TAYLOR

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750. DEA/703-AM-40

Note de la Ire Direction de liaison avec la Défense
Memorandum by Defence Liaison (1) Division

TOP SECRET Ottawa, February 22, 1952

MEMORANDUM FOR MR. MACKAY

RCAF-USAF PROPOSAL TO ESTABLISH A MILITARY NETWORK OF AIR TRAFFIC CONTROL IN THE CANADIAN NORTH — FROBISHER BAY

Following my previous memorandum of February 16 on this subject, I have been in touch by telephone with Wing Commander Woolfenden and Wing Commander Hull of the RCAF, and the situation has been clarified slightly. You will recall that we were particularly interested in the proposal to establish a system of air route and air traffic control in the North in connection with Frobisher Bay, since it has been indicated in the letter by the RCAF to the U.S. Air Attaché that the USAF had been authorized to operate the flying control facilities at Frobisher Bay.

In today's telephone conversation with Wing Commander Hull, I raised this point and mentioned unofficially that we were rather concerned that the Americans would be operating the flying control facilities at Frobisher Bay, which station would be included as part of the system of air routes and air traffic control which the RCAF propose to set up. Wing Commander Hull stated that it was the eventual aim of the RCAF to take over operation of the flying control equipment at Frobisher Bay. He said that the RCAF have no flying control people at Frobisher Bay at present, but in view of the proposal to establish a system of air routes he understood that the Chief of Air Staff had changed this position slightly in connection with stationing additional RCAF flying control personnel at Frobisher. He understood that the RCAF intend to send to Frobisher Bay sufficient trained men to operate the flying control facilities. These men will probably replace some, or possibly all, of the RCAF personnel who now are engaged in housekeeping activities at Frobisher.

Wing Commander Hull explained that as soon as the RCAF personnel are available at Frobisher for the operation of the flying control equipment, the USAF would withdraw their operators. There might, however, be an interim period during which the USAF would continue to operate the flying control equipment. I asked Wing Commander Hull whether control of the flying control facilities would also mean control of the air traffic control area which it was proposed to establish at Frobisher Bay. He said that this would be so, but it would not necessarily mean that the RCAF would operate all of the equipment required in the air traffic control system. He said further that there may be other types of equipment in connection with the air traffic control area which would be operated by the USAF. However, all of this equipment would come under direct control of the RCAF flying control people.

Wing Commander Hull said that it was his understanding that the RCAF intended to supply the Commanding Officer at Frobisher Bay, as well as the personnel required for operation of the control tower facilities. According to Wing Commander Woolfenden, with whom I have also discussed this question, the number of RCAF flying control people would probably be in the neighbourhood of from 8 to 12.

I think this may be construed as a definite improvement from the point of view of retaining Canadian command and control at Frobisher Bay. I think it is more important that the RCAF should take over the important functions at Frobisher, even though this may mean a reduction in the total number of RCAF personnel at the station. Presumably, if we are satisfied with the RCAF's plans at Frobisher Bay, we should indicate our satisfaction in a letter so that the RCAF may be able to proceed with their plans for sending their flying control people to Frobisher Bay.[74]

In connection with the proposal to establish a system of airways and air traffic control in the North with which Mr. Chevrier expressed his concern in his letter of February 4, to Mr. Claxton, the RCAF have suggested that representatives from this Department and the Department of Transport might meet with them to discuss the problem, and to iron out any difficulties or misunderstandings which have arisen. If you agree, I suggest that we should ask the RCAF to arrange a meeting at which we will be represented.[75]

D.R. TAYLOR

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[74] Note marginale :/Marginal note:
Have we any paper to reply to?

[75] Note marginale :/Marginal note:
OK. You or Mr. Phillips might go.

751. DEA/703-AM-40

Note du sous-secrétaire d'État aux Affaires extérieures pour le secrétaire d'État aux Affaires extérieures

Memorandum from Under-Secretary of State for External Affairs to Secretary of State for External Affairs

SECRET Ottawa, March 19, 1952

FROBISHER BAY

At its meeting of September 12, 1951, Cabinet approved the recommendation of Cabinet Defence Committee that the U.S. Air Force be permitted to station additional personnel at Frobisher Bay for the remainder of 1951. On December 22nd you approved a note to the U.S. Embassy in which the Canadian Government gave permission for the stationing of a detachment of approximately 150 members of the U.S.A.F. at Frobisher Bay on a continuing basis.

On the instruction of Cabinet we have told the United States that Canada is to maintain command and control of Frobisher Bay. In recent months the R.C.A.F. has been considering the number of men which it should place at Frobisher Bay.

We now understand that the R.C.A.F. intends to keep at Frobisher Bay from 20-24 men which would include the commanding officer and sufficient staff to operate the flying control facility. The U.S.A.F. staff at Frobisher Bay will probably number about 150.

Do you agree that the condition on command and control is met if the R.C.A.F. provides the commanding officer and the flying control staff?[76]

A.D.P. H[EENEY]

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[76] Notes marginales :/Marginal notes:
Yes. L.B. P[earson]
Informed Squadron Leader Miller (in absence of W[ing]/C[ommander] Hall) that External Affairs has no objection to RCAF plan for manning Frobisher Bay.

SECTION L

LE PIPELINE DE HAINES-FAIRBANKS
HAINES-FAIRBANKS PIPELINE

752. DEA/10815-40

Note du sous-secrétaire d'État aux Affaires extérieures pour le secrétaire d'État aux Affaires extérieures[77]

Memorandum from Under-Secretary of State for External Affairs to Secretary of State for External Affairs[77]

SECRET Ottawa, June 24, 1952

PROPOSED PIPELINE FROM HAINES TO FAIRBANKS

In August 1950, the Government gave the United States permission to make surveys for a pipeline from the Alaskan coast to Fairbanks. On the basis of the surveys which were completed that year, the United States Section of the PJBD reported in January 1951 that the United States would probably wish to build a pipeline from Haines, across the Panhandle and a corner of British Columbia to the point where the Haines Road meets the Alaska Highway. The pipeline would then follow the Highway to Fairbanks. Alternative all-Alaska routes are possible, but they are more vulnerable that the Highway route.

At the PJBD meeting of June, 1952, the United States Section outlined the proposals in further detail. Congress has authorized $40 million for the construction of an 8-inch pipeline. Half of this amount has been appropriated for the present fiscal year. The pipeline could carry 24 thousand barrels of petroleum products per day. In the event of war the full amount would probably be needed for military operations in Alaska; in peacetime the United States would be willing to allow Canada to tap the line for military petroleum needs in the Yukon. Without the pipeline, petroleum for Alaska must be taken by tanker to Whittier and by rail north. The inadequacy of these transportation arrangements will soon result in a petroleum deficit in Alaska which would become very serious in the event of war.

In addition to the pipeline, the United States intends to build new docking facilities in Haines, to make some improvements in that part of the Haines road which lies on United States territory, and to install pumping stations. There would probably be one pumping station in Canada, manned by about 24 men (civilians) and two small stations (manned by one or two men) which could be expanded in an emergency to increase the flow. The Canadian portion of the line is 284 miles long and would cost about $12 million. The right of way would be 50 feet wide and about 21 additional acres for pumping stations would be needed.

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[77] Note marginale :/Marginal note:
Discussed with Minister by USSEA [Under-Secretary of State for External Affairs] and R.A. M[ackay].

The United States Section of the PJBD gave a categorical assurance that the operation of the pipeline along the Haines Road would not require the winter maintenance of that highway except in an emergency.

The United States Section of the PJBD originally asked for a Canadian reply to their proposals within two weeks in order that bids might be invited from contractors by July 15 and construction begun by September 1. The Canadian Section explained that a final Canadian reply would require some time since the United States proposals raised difficult problems involving many departments of Government as well as Provincial authorities.

No mention was made to the U.S. Section of the possibility of Canada undertaking the construction of the Canadian section of the pipeline. Canadian construction and ownership would have advantages from the point of view of sovereignty. It is suggested that costs of the Canadian section might be amortized over a period of years by charging on a user basis. Canadian ownership of part of the line, together with some system of joint control, would also put Canada in a better position to influence the use of the line, either in relation to Canadian commercial facilities for the transportation of petroleum products, or for the use of Canadian supplies of petroleum from the Alberta oilfields, the possibility of which was mentioned in the course of the meetings at Whitehorse.

L.D. W[ILGRESS]

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753. DEA/10815-40

Le sous-secrétaire d'État aux Affaires extérieures
à l'ambassade aux États-Unis

Under-Secretary of State for External Affairs
to Embassy in United States

LETTER No. D-1193 Ottawa, July17, 1952

SECRET

HAINES-FAIRBANKS PIPELINE

Reference: My EX-1561 of July 17.†

I should like to review briefly the action which has been taken on the proposal made at the last meeting of the Permanent Joint Board on Defence for a pipeline from Haines to Fairbanks.

Immediately on the return of the Canadian Section of the PJBD, the U.S. proposal was brought to the attention of Ministers concerned. There was some feeling that serious consideration should be given to Canadian participation in the project, possibly by construction and ownership of the Canadian section of the line. Cabinet considered the proposal briefly on June 26 and instructed the Panel on Economic Aspects of Defence Questions, with suitable representation from the Department of Resources and Development, to consider the implications of the proposal. Accordingly both the Sub-Panel and the Panel studied the U.S. proposals and agreed that construction of the line should be approved in principle. The Panel also recommended that an interdepartmental committee, under the Chairmanship of the Under-Secretary of State for External Affairs, should be formed to study the project further, particularly in connection with the conditions which might be attached to Canadian approval. There was a difference of opinion within the Panel on the advisability of Canadian Government participation in the construction and financing of the Canadian section of the pipeline. For your own information I may say that the representatives of the Department of External Affairs and of Resources and Development were in favour of Canadian construction of the line if a sound scheme could be worked out for financing it. We had in mind the possibility of a Crown Company which might be financed initially by a loan to be repaid over a period of 10 or 20 years by profits from the operation of the line. This suggestion did not find favour in other Departments.

When Cabinet considered the pipeline proposal for the second time it agreed that approval in principle should be given, and accepted the recommendation of the Panel on the establishment of an interdepartmental committee. On July 11 the U.S. Minister was informed orally that the Canadian Government was favourably disposed in principle to the construction of a pipeline and that in a few days it would be possible to discuss the conditions which the Canadian Government wished to attach to the construction of the Canadian section.

The interdepartmental committee considered at length the conditions which should be attached and these were approved by Cabinet, with minor modifications, on July 15. I attach a copy of the Memorandum for Cabinet which was submitted by the interdepartmental committee.'

I also attach a copy of the Aide Memoire together with a brief memorandum on customs procedures which were handed to the U.S. Minister on July 16.' On the completion of negotiations between Canadian and U.S. officials there is to be an Exchange of Notes. We have suggested to the U.S. Minister that these negotiations should take place in Ottawa and that the United States should send to Ottawa a small team for the purpose. I shall, of course, keep you informed of the progress of these negotiations.

M.H. WERSHOF
for Under-Secretary of State
for External Affairs

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754. DEA/10815-40

Le sous-secrétaire d'État aux Affaires extérieures
à l'ambassade aux États-Unis

Under-Secretary of State for External Affairs
to Embassy in United States

LETTER No. D-1391 Ottawa, August 28, 1952

SECRET

HAINES-FAIRBANKS PIPELINE

Reference: My letter No. D-1193 of July 17, 1952.

1. I should like to review briefly the action which has been taken with respect to the Haines-Fairbanks pipeline proposal since my letter of July 17.

2. A group of U.S. officials headed by Mr. A.F. Peterson of the Department of State, visited Ottawa on August 13 and 14 to discuss with Canadian officials the details of the project; in particular the points included in the Canadian Aide Memoire, a copy of which was attached to my letter to you of July 17. The principal issues developed around the terms of tenure for the new pipeline and the disposal of existing Canol lines. Subsequent to the discussions a memorandum was submitted to Cabinet on August 20 outlining the revised proposals with respect to these matters. This memorandum has now been approved by Cabinet. A copy is attached for your information.†

3. A number of discussions were also held between the U.S. representatives and Canadian officials with respect to such problems as taxation, unemployment insurance, labour regulations, etc. The problems involved in this area appear to be largely ones of detail. In this connection I attach two copies of a letter received from the Deputy Minister of National Revenue (Customs and Excise) dated August 21.† It would be appreciated if you would pass one copy to Mr. Peterson,[78] drawing to his attention the final paragraph of the letter which asks whether our understanding of the discussions is the same as theirs.

4. At the same time as the above negotiations have been going on, the Minister of Resources and Development has been in communication with the Premier of the Province of British Columbia with a view to obtaining the approval of the B.C. government for the project and an undertaking from it to transfer the land for the right-of-way to the Federal Government. It is expected that as soon as approval of the project has been received from the Province of British Columbia the United States will advertise the contract and call for tenders. It is hoped that the contractor will be able to start work during the coming winter.

5. I will keep you informed of the progress of these negotiations as they develop.

R.A. MACKAY
for Under-Secretary of State
for External Affairs

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[78] A.F. Peterson, agent chargé des Affaires du Commonwealth, Bureau des Affaires du Commonwealth britannique et de l'Europe du Nord, département d'État des États-Unis; membre pour le département d'État de la section des États-Unis, CPCAD.
A.F. Peterson, Officer in Charge of Commonwealth Affairs, Office of British Commonwealth and Northern European Affairs, Department of State of United States; Department of State Member of United States Section, PJBD.

755. DEA/10815-40

Le sous-secrétaire d'État aux Affaires extérieures
à l'ambassade aux États-Unis

Under-Secretary of State for External Affairs
to Embassy in United States

LETTER No. D-1642 Ottawa, October 25, 1952

CONFIDENTIAL

HAINES-FAIRBANKS PIPELINE PROJECT

Reference. My letter No. D-1391 of August 28, 1952.[†]

1. I should like to review briefly the action which has been taken with respect to the Haines-Fairbanks pipeline proposal since my letter of August 28.

2. Mr. Peterson visited Ottawa en route to Washington from the PJBD meeting, at which time there was further discussion of the proposed conditions which should govern Canadian approval for the construction, ownership and operation of the Canadian section of the pipeline. I attach a copy of the latest version of these proposed conditions for your information. As you will see, there is close agreement between the two countries at the official level on what the proposed conditions should be.

3. A draft press release has been prepared and concurred in by the Ministers of National Defence, External Affairs and Resources and Development. It has been submitted to the United States through the Embassy in Ottawa for concurrence. It is clearly understood by the officials concerned in both countries that the press release is not to be issued and that the contract for the pipeline is not to be advertised until agreement is reached with British Columbia on the transfer of land for the right-of-way through that province to the federal government. A copy of the draft press release is attached for your information.[†]

4. Some weeks ago, we requested from the U.S. Embassy an official statement of the urgency with which the U.S. Government considered the project and the approximate time-table which it was desired to follow. It was considered that such a statement would be useful to support the special efforts being made here to expedite approval of the project. The U.S. Embassy has now given us a copy of a letter, dated October 14, 1952, from the Secretary of the Army to the U.S. Secretary of State furnishing the desired information. A copy of this letter is attached for your information.

5. The principal stumbling block has been the problem of completing satisfactory arrangements with the Province of British Columbia for the land required for the right-of-way. It had been hoped that the land would be made available by a simple transfer from the provincial to the federal government. However, British Columbia decided not to do this and undertook to pass an Order-in-Council granting an easement to the federal government. A copy of the proposed Order-in-Council was sent to the Department of Resources and Development, which is the federal Department handling the negotiations with

the province, but before comments could be obtained on this draft from the Department of Justice, the province passed the Order-in-Council. Justice has now informed us that the Order-in-Council is improper and in fact is based on an inappropriate section of the B.C. Lands Act. In addition, the order contained a number of paragraphs which almost certainly will be unacceptable to the United States including a requirement for the burying of the whole of the pipeline through the province. With the advice of the Department of Justice a new draft provincial Order-in-Council is being prepared based on the correct section of the B.C. Lands Act and modifying the conditions stipulated by the B.C. Government, where necessary. As soon as this draft is ready an effort will be made to convince the B.C. Government that it should be passed in place of the existing unsatisfactory one.

6. You will appreciate that because of the inexperience of the B.C. Government, and the uncertainty of its political future, it will not be possible to rush negotiations with the province. We have, therefore, informed the U.S. Embassy here that much as we appreciate the urgency of the project, we regret that there is every likelihood that some weeks will be required to bring negotiations with the Province to the point where we will be able to authorize the advertising of the project.

M.H. WERSHOF
for Under-Secretary of State
for External Affairs

[PIÈCE JOINTE/ENCLOSURE]

Avant-projet d'une proposition

Draft Proposal

CONFIDENTIAL September 8, 1952

PROPOSED CONDITIONS WHICH SHOULD GOVERN APPROVAL BY CANADA OF THE CONSTRUCTION, OWNERSHIP AND OPERATION OF THE CANADIAN SECTION OF THE HAINES-FAIRBANKS PIPELINE (CANADIAN DRAFT AS AMENDED)[79]

Note: Key to amendments on last page[80]

1. *Right-of-Way*

All land required for the right-of-way of the pipeline and appurtenances including any pumping stations (hereinafter referred to as the pipeline unless otherwise specified), and for access roads, will be acquired by and remain in the title of Canada. The United States will be granted without charge an easement for the pipeline for (twenty years, and thereafter for) such (further) time and upon such conditions as may be agreed pursuant to paragraph 3 of this agreement. The United States shall have free of charge the use of access roads to the pipeline under such reasonable terms and conditions as shall be mutually agreed upon.

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[79] Le document original porte la mention :/The following is in the original:
Amended September 18, 1952.

[80] La légende est publiée à la fin du document.
The key is printed at the end of the document.

2. *Plans*

[The detailed plans, description of the route and specifications of the pipeline and access roads will be approved by the appropriate Canadian authorities in advance of construction, and Canadian officials shall have the right of inspection during construction.] In order to safeguard Canadian interests, the detailed plans, description of the route and access roads and specifications of the pipeline (and access roads) will require the approval of the appropriate Canadian authorities in advance of construction, and Canadian officials shall have the right of inspection during construction.

3. *Tenure*

It is mutually agreed that the common defence interests of the two countries will require continuance of the pipeline for a minimum period of twenty years. At the expiration of this period, in the event that either Government wishes to discontinue the arrangement, the question of continuing need will be referred to the Permanent Joint Board on Defence. In considering the question of need, the PJBD will take into account the relationship of the pipeline and related facilities to the defense installations in Alaska. Following consideration by the PJBD, as provided above, (and without being bound by any recommendation of the PJBD,) either Government may terminate the arrangement, in which case the Government shall give due consideration in any subsequent operation of the pipeline to the defence needs of the other country.

4. *Use of the Pipeline to Meet Canadian Requirements*

The United States will connect the Haines-Fairbanks pipeline to the three-inch Whitehorse-Fairbanks pipeline at a point near Haines Junction. (and) The United States will permit additional connections to be made to both the eight-inch and the three-inch pipelines within Canada on reasonable terms and conditions as shall be mutually agreed upon. For the period of operation by the United States of the eight-inch pipeline the United States, if requested by Canada, (undertakes to) will continue to operate and maintain the three-inch pipeline and the storage facilities at Whitehorse (for a minimum period of twenty years from the date of this agreement). In the operation of both the eight-inch and three-inch pipelines and of the storage facilities at Whitehorse the United States (further) undertakes:

(a) to give assurance of equal consideration to Canadian defense requirements with those of the United States;

(b) to make available at the request of the Canadian Government, on reasonable terms to be mutually agreed upon, the use of these installations to meet Canadian civil needs as military requirements permit.

(Additional connections to these pipelines within Canada for Canadian use may be arranged at any time if such connections are desired by the Canadian Government.)

5. *Understanding regarding Disposition of Title to Rights in Existing Pipeline in Northern British Columbia and Yukon Territory*

Nothing in this agreement shall add to, or subtract from, the existing agreements between Canada and the United States regarding existing pipelines except as provided in paragraph 4 and paragraph 6 of this agreement.

6. *Disposition of Four-inch Pipeline from Skagway to Whitehorse*

In the event notice is given by the United States of the termination of operation of the existing four-inch pipeline between Skagway and Whitehorse, the United States will transfer to Canada, if requested by the Canadian Government, without compensation, any equity which it may have in that part of the pipeline located in Canada and, to the extent that it lies within the power of the United States, will undertake under such terms and conditions as shall be mutually agreed upon, to make available for use by Canada that part of the four-inch pipeline from the Canadian border to Skagway as well as the terminal and pumping facilities at that port.

7. *Construction*

(a) Canadian contractors will be extended equal consideration with United States contractors in the awarding of contracts and in the procurement of materials, equipment and supplies.

(b) (An equitable proportion of the labour force used on the entire project should be Canadian.) Any contractor awarded a contract for construction in Canada will be required to give preference to qualified Canadian labour for such construction in Canada. The rates of pay and working conditions for such construction will be set after consultation with the Canadian Federal Labour Department and will be not less than in accordance with the Canadian Fair Wages and Hours of Labour Act of 1935.

(c) Canadian materials will be used on the Canadian portion of the line as far as feasible (if available at a competitive price.)

(d) Canadian Law (e.g. tax laws, labour laws, Workmen's Compensation, unemployment insurance, etc.) will apply.

(e) Subject to the agreement of the appropriate Canadian authorities, the United States may be granted permission to use, without charge, timber, gravel, and other construction material on federal Crown Lands; these materials to be used only for construction in Canada.

(f) The United States will be responsible for the satisfactory disposal of any construction camps and materials abandoned in Canada after completion of the pipeline.

(g) The Canadian government will take the necessary steps to facilitate the admission into Canada of such United States citizens as may be employed on the construction or maintenance of the pipeline, it being understood that the United States will undertake to repatriate at its expense any such persons if the contractors fail to do so.

8. *Maintenance*

Qualified Canadian civilian labour will be used as far as feasible for the maintenance of the Canadian section of the pipeline.

9. *Non-transferability of Rights*

Rights granted by Canada under this agreement are granted to the Government of the United States and may not be transferred or alienated by the Government of the United States to any person or corporation without the express consent in advance in writing of the Canadian Government.

10. *Supplementary Arrangements and Administrative Agreements*

Supplementary arrangements or administrative agreements between authorized agencies of the two Governments may be made from time to time for the purpose of carrying out the intent of this agreement.

11. *Telephone and Telegraph Facilities*

This agreement does not cover telephone and/or telegraphic facilities required in the construction and operation of the pipeline. Arrangements for these facilities will be the subject of separate consideration.

Key to amendments:

1) underlined solid	Addition agreed by Canada & US
2) underlined dots	Addition desired by US
3) [brackets]	Deletion agreed by US & Canada
4) (parenthesis)	Deletion desired by US

756. DEA/10815-40

Extrait d'une lettre du sous-secrétaire d'État aux Affaires extérieures à l'ambassade aux États-Unis

Extract from Letter from Under-Secretary of State for External Affairs to Embassy in United States

LETTER No. D-1726 Ottawa, November 15, 1952

CONFIDENTIAL

HAINES-FAIRBANKS PIPELINE PROJECT

Reference: My letter No. D-1642 of October 25, 1952.

1. I wish to review the progress on the Haines-Fairbanks pipeline proposal since my letter of October 25, 1952.

2. You will recall that in my last letter I reported that the principal stumbling block has been the problem of completing satisfactory arrangements with the Province of British Columbia for the land required for the right-of-way. The Department of Justice, in consultation with the Departments of Resources and Development and External Affairs, has drafted a proposed provincial Order-in-Council to replace the unsatisfactory version promulgated by the B.C. Government on October 7, 1952. It has been agreed by the Departments concerned that this new draft should first be shown informally to the U.S.

officials and, assuming that it is generally satisfactory, representatives from the Departments of Resources and Development and Justice should then go to British Columbia to convince that Government that it should replace the existing Order-in-Council with a new Order based on the Department of Justice draft. Once agreement in principle has been obtained both from the United States and British Columbia, we can proceed to settle any outstanding details. Only after this has been done should the new Order-in-Council be passed by the B.C. Government.

3. In accordance with the above procedure, Mr. Morgan of the U.S. Embassy was called in today and given copies of the enclosed informal memorandum on the progress of the Haines-Fairbanks pipeline project (dated November 13, 1952).[†] He was also given copies of the proposed draft provincial Order-in-Council, a copy of which is attached,[†] but was not given a copy of the covering memorandum from the Deputy Minister of Justice to the Under-Secretary of State for External Affairs. Assuming that the reaction of the U.S. officials to the draft is favourable, it is hoped that representatives of Resources and Development and Justice will be able to go to British Columbia during the last week in November or the first week in December.

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R.A. MacKay
for Under-Secretary of State
for External Affairs

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757. DEA/10815-40

Note de la Ire Direction de liaison avec la Défense
pour le sous-secrétaire d'État adjoint aux Affaires extérieures

Memorandum from Defence Liaison (1) Division
to Assistant Under-Secretary of State for External Affairs

Confidential Ottawa, December 26, 1952

Memorandum for Mr. MacKay

HAINES-FAIRBANKS PIPELINE

Attached for your information is a copy of the reply of the Deputy Minister of Resources and Development, dated December 24, 1952, to our letter of December 15, 1952, regarding the Haines-Fairbanks pipeline.[†] The letter opens by agreeing that it would be useful to separate the considerations affecting the proposed B.C. Order-in-Council from those which relate only to the Canada-United States agreement. It then contradicts itself by suggesting that since the position taken by the United States is now different from the position taken last August on several important points, we should not open discussion with British Columbia before complete agreement is reached with the United States on the Exchange of Notes. It also adds the cheerful thought that Cabinet approval would doubtless have to be obtained in connection with some of these points if changes are to be made.

I have re-studied the pertinent documents and I am unable to see the necessity of following the course of action proposed by the Deputy Minister of Resources and Development. The principal U.S. objection to the draft Order-in-Council was related to the paragraph dealing with the indemnification of the Province of British Columbia in event of liability incurred by British Columbia in connection with the construction or operation of the pipeline. This Department proposes to meet the U.S. objection, and the Department of Resources and Development has agreed to our proposal. The U.S. Embassy gave us preliminary comments on certain other paragraphs of the draft Order-in-Council and while it has not, as yet, provided us with the additional comments, which it indicated would be forthcoming, I think that enough information is at hand to make it clear that they deal with minor points. In any event since the object of the mission to British Columbia was not to obtain the final text of the Order-in-Council, but only to obtain agreement in principle, there would be no reason why any additional proposed changes could not be dealt with subsequently by correspondence.

The one remaining complication is the matter of a right-of-way for communications facilities. In view of the recent correspondence with the Department of Transport on this subject, I am of the opinion that it should be kept quite separate from the pipeline Order-in-Council and that the mission to British Columbia should confine itself to a discussion with the provincial authorities of the need for the right-of-way and the possibility that it may later be necessary to request the B.C. Government to promulgate an additional Order-in-Council to cover this requirement.

I have not listed the problem of "stumpage" as one of the unresolved problems since the B.C. Government will require to be paid in any event. The question of who pays is one to be settled between the Canadian and U.S. Governments. Actually I think we should refuse to consider the U.S. contention that Canada should absorb this item.

It seems to me that the various issues between the Canadian and U.S. Governments including the tenure clause, the cost of surveys and other details have no bearing on the draft B.C. Order-in-Council and I can see no reason or necessity for deferring the discussion with British Columbia until these matters have been settled.

If we are to overcome the current log-jam in the negotiations in time to be able to report some real progress at the next meeting of the PJBD, quick action will be necessary. I suggest that the best method might be to attempt to convene a meeting on Monday or Tuesday (December 29 or 30) attended by you, Mr. Wershof and Mr. Barton from this Department and Messrs. Jackson and Sivertz from the Department of Resources and Development. An alternative which you may wish to consider would be for you, Mr. Wershof and Mr. Barton to call on General Young.

M.H. WERSHOF

SECTION M

PROJET LINCOLN
PROJECT LINCOLN

758. DEA/50286-40

Le sous-secrétaire d'État aux Affaires extérieures
au président du Comité des chefs d'état-major

Under-Secretary of State for External Affairs
to Chairman, Chiefs of Staff Committee

CONFIDENTIAL Ottawa, September 15, 1952

PROPOSED VISIT OF U.S. CIVILIAN SCIENTISTS TO RESOLUTE — "PROJECT LINCOLN"

During the past few weeks the Air Attaché of the U.S. Embassy has made approaches to the R.C.A.F. and through them to the Department of Transport, and more recently he has spoken to the Department of External Affairs, with a view to obtaining permission for three civilian scientists to go to Resolute in connection with "Project Lincoln" acoustic tests. It seems that further parties would follow.

2. This Department has no information regarding the nature of "Project Lincoln" and assumes that it is a new U.S. defence project which, under the rules adopted by the Governments of Canada and the United States, should be submitted to the Canadian Government for approval through the diplomatic channel. We so informed the Air Attaché on September 12 in response to his telephone inquiry.

3. We have been told informally that the R.C.A.F. has approved the visit of these scientists to R.C.A.F. Station Resolute Bay. We do not know whether the scientists will wish to use the facilities of the Weather Station or the Ionospheric Station at Resolute in addition to the facilities of the R.C.A.F. Station.

4. I should be grateful if you would let me know whether you agree that the appropriate procedure in this case would be for the U.S.A.F. to submit through the diplomatic channel, with suitable explanations and details, the request for permission to carry out at Resolute the test or series of tests with which the three scientists are connected.

5. I am sending copies of this letter for information to the Chief of the Air Staff, the Defence Research Board, the Deputy Minister of Transport and the Meteorological Division in Toronto.

C.S.A. RITCHIE
for Under-Secretary of State
for External Affairs

759. DEA/50046-40

Extrait de la note du secrétaire d'État aux Affaires extérieures pour le Comité de la défense du Cabinet

Extract from Memorandum from Secretary of State for External Affairs to Cabinet Defence Committee

TOP SECRET Ottawa, October 8, 1952

1. The visit to Washington, extending from the evening of September 29 to the morning of October 4, had as its primary object the discussion with U.S. defence officials of questions relating to developments in Korea and Europe and the defence of North America. It also created an opportunity to visit major Army establishments at Monmouth, Fort Benning and the Aberdeen Proving Ground, where we saw in operation the latest types of military equipment. Instructions had gone out that we were to see and be told everything without reservation and this was certainly the way we were treated.

2. A separate report has been prepared by service officers on the equipment, organization, training, etc., we saw during our visit. The present paper will deal with questions of policy which arose in the course of our visit.

3. Those we saw included:

Hon. Robert Lovett, Secretary of Defense;
Hon. William C. Foster, Under-Secretary of Defence;
Hon. Frank Pace, Secretary of the Army;
Hon. Karl R. Bendetsen, Under-Secretary of the Army;
Hon. Earl D. Johnson, Assistant-Sec. of the Army;
Hon. F. Korth, Assistant-Sec. of the Army;
General Omar Bradley, Chairman Joint Chiefs of Staff;
Lieutenant-General L.L. Lemnitzer, Operations and Plans, just returned from a year in Korea;
Dr. W.G. Whitman, Director, Research and Development;
Dr. H.V. Gaskill, his Deputy;
Ambassador Philip C. Jessup,

and numerous other officials and senior officers both at Washington and at the various stations. The same subject was frequently dealt with in several conversations and the result of these will be set out here.

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Defence of North America

19. Both Mr. Finletter and General Vandenburg were away from Washington so I did not have an opportunity to discuss Air Force matters. Dr. Whitman, head of Research and Development, stated that the United States government was beginning to have great concern about the possibility of air attack in substantial force across Canada. This had been considered in what is known as Project Lincoln.

20. This project was a large scale study operated during July and August of this year by the Massachusetts Institute of Technology. Participating were a number of United States officers and others representing American institutions concerned with various aspects of air defence. Professor J.S. Foster of McGill

University and Dr. G.R. Lindsey of the Defence Research Board Operational Research Group were present.

21. The main reason for this study was American concern about what they regarded as the increased probability of a war being started off with a sneak raid on North America. The attention given to this possibility comes about in consequence of the enormous increases achieved by the United States in the power and number of A-bombs. They feel that if they have increased the power of the A-bomb so many times that a single bomb can now destroy a city of a million inhabitants, of whom half would be killed, it is entirely likely that the Russians will be able to make similar advances.

22. It follows from this dismal picture that the enemy could afford to expend a considerable effort in order to ensure delivery of such decisive weapons. If the defence can inflict heavy attrition on light raids, it would pay the enemy to despatch heavy raids. If any one of several bombers allotted to a given target should get through, then the defence has failed. Consequently, the defence should strengthen itself to the point where it can exact almost complete attrition against a very heavy attack.

23. In these circumstances early warning becomes of paramount importance. The type of warning considered desirable by the study would be achieved by a chain of forty-five small early warning radar stations each staffed by nine men and stretching from Aklavik to Thule in Greenland. The estimated cost of this would be $225 millions, but my experience shows that it would be very much more. This would be backed by another similar chain stretching across the continent somewhere south of Churchill.

24. When Dr. Whitman spoke to me about this, I had not yet received from Dr. Lindsey the report which has subsequently reached me. Dr. Whitman said that while the whole plan might be considered impracticable, he felt that early warning against a sneak attack had become a primary defence requirement. He said that the paper on this which would be put before the President would be the subject of further consideration.

25. Dr. Whitman suggested that in the absence of Mr. Finletter and General Vandenberg I might wish to discuss this project with Mr. Foster. When I saw Mr. Foster, however, he did not mention it and I did not raise it myself as I had not yet seen the report. (For similar reasons I did not bring up the Goose Bay lease or the proposed development at Torbay.)

26. The facts and reasoning back of this study have the most serious implications for this country.

27. Defence of the north depends on the efficiency of the radar and communications system to get the aircraft into the air in time to defeat an attack. This was practicable with existing equipment. What was needed was a longer period of warning. They believe that the next development would be towards automatic plotting and prediction consequent on radar identification, thereby speeding the whole process and eliminating human error. It might even reduce manpower requirements.

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760. PCO

Extrait du procès-verbal de la réunion du Comité de la défense du Cabinet

Extract from Minutes of Meeting of Cabinet Defence Committee

TOP SECRET [Ottawa,] October 9, 1952

I.*North Atlantic Treaty Defence Planning*

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3. *Mr. Claxton* said that on his recent visit to the United States he had found that U.S. officials concluded that it was safe only to assume that the large-scale development of atomic weapons in the United States would in large measure be matched in the U.S.S.R. They were therefore much concerned about air attack on North America. With the tremendous power of the new weapons it would be profitable to an enemy if only one bomber got through to a North American city. For this reason serious consideration was being given to the development of further radar warning facilities across the top of North America.

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761. DEA/50286-40

Note de la Ire Direction de liaison avec la Défense pour le sous-secrétaire d'État adjoint aux Affaires extérieures

Memorandum from Defence Liaison (1) Division to Assistant Under-Secretary of State for External Affairs

SECRET Ottawa, October 11, 1952

MEMORANDUM FOR: MR. MACKAY

PROJECT "LINCOLN"

As you know, I have had a number of discussions during the course of the past few weeks with Dr. Lindsay[81] and other members of the staff of the Defence Research Board with respect to Project "Lincoln". In view of the interest which this project has occasioned among senior officials, and Mr. Claxton's report on his recent discussions in Washington, I thought that I should record some facts which may not be generally appreciated.

2. The object of the summer study at MIT, reported on by Dr. Lindsay, was to attempt to find some new method of warning which would lead to an improvement of real significance over existing methods. In actual fact, the study merely produced an expensive scheme involving an expanded use of existing methods. The purpose of an early warning "fence" is merely to give the most advanced interceptor forces sufficient warning to reach a point where

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[81] G.R. Lindsey du Conseil de recherches pour la défense.
Dr. G.R. Lindsey, Defence Research Board.

they can attack the enemy with greatest effectiveness. The U.S. proposal, which I understand is quite likely to ensue from Project "Lincoln", is that this fence should be located in the Arctic. It would involve forty-five stations, and would cost an estimated $225 million.

3. The DRB has been carrying out studies of a similar nature to Project "Lincoln" but on a much less ambitious scale. DRB came to the conclusion independently that it would be feasible to locate such a "fence" much farther south than the U.S. proposal, on a general line which would be much more accessible than the proposed Arctic sites. The DRB proposal is described briefly towards the end of Lindsay's report on Project "Lincoln". Lindsay informs me that, bearing in mind the relative costs of the two schemes and the scant knowledge of some of the basic problems involved in the U.S. proposal, the Canadian scheme is inherently a sounder one. He felt that it was quite possible that the U.S. scheme could turn out to be as much a fiasco as the LF "Loran" project of a few years ago.

4. Lindsay informed me today that the head of Project "Lincoln" was to appear before the National Security Resources Board in Washington next week, and that he was coming to Canada to see Dr. Solandt[82] on October 20. I suggested to Lindsay, and to the chief of his division, that it would be most worthwhile to commence immediately a comparative analysis of the two schemes. I believe that they intend to take up this suggestion.

5. I thought you would wish to know these facts in view of the possibility that this subject might be discussed at the policy level in the near future.

M. W[ERSHOF]

(Dictated but not read by Mr. Barton)[83]

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762. DEA/50286-40

La I^ère Direction de liaison avec la Défense
au deuxième secrétaire de l'ambassade aux État-Unis

Defence Liaison (1) Division
to Second Secretary, Embassy in United States

SECRET Ottawa, October 28, 1952

Dear Peter [Towe],

Some time has gone by since our telephone conversations and exchange of telegrams in connection with the proposed visit of Dr. Hubbard[84] to the joint U.S.-Canadian arctic weather stations. However, there were a number of issues involved in the decision not to grant authorization for his visit, and I think it would be worthwhile to set them out so that there will be a full understanding of the situation from our point of view.

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[82] O. Solandt, président du Conseil de recherches pour la défense.
Dr. O. Solandt, Chairman, Defence Research Board.

[83] W.H. Barton, I^ère Direction de liaison avec la Défense ; secrétaire de la section canadienne, CPCAD.
W.H. Barton, Defence Liaison (1) Division; Secretary, Canadian Section, PJBD.

[84] Dr. Malcolm MacGregor Hubbard, Massachusetts Institute of Technology.

As you will have seen from our letter (...) of September 15, 1952, to the Chairman, Chiefs of Staff, a copy of which was referred to you, the request put forward in your WA-2262 of September 16, 1952,† had been proceded by an earlier request made by the U.S. Air Attaché in Ottawa to the RCAF, for three scientists engaged on project Lincoln (one of whom was Dr. Hubbard) to visit the weather stations. In spite of the inconvenience to the RCAF, the Canadian meteorological services and the U.S. Weather Bureau, none of which knew of the project, all these agencies concurred in the visit in an effort to be cooperative. Then at the last minute the scientists decided that it was not convenient to make the journey after all. Likewise at the last minute this Department learned of the proposed visit and pointed out to the Canadian agencies concerned that on the basis of the information available it would appear that project Lincoln was a new defence project which, under the rules adopted by the governments of Canada and the United States, should be submitted to the Canadian Government through the diplomatic channel. The U.S. Air Attaché was so informed on September 12, 1952.

As you know, the problem of educating the Armed Forces of both countries as to the proper channels of communication has been a vexing one for a long time. As recently as November 1951 the Canadian Chairman of the PJBD reminded the U.S. Section of the importance of submitting requests for defence projects as far in advance as possible, and, in cases when it was necessary to submit a proposal on short notice, for an explanation of its urgency and the reason why it could not have been presented at an earlier date.

One of the principal reasons for insisting on the clearance of new projects through diplomatic channels is that not infrequently this provides us with a first intimation of schemes which involve U.S. activities in Canada on a large scale both in terms of numbers of troops and expenditures of money. In the case of project Lincoln information received here during the past few weeks suggests that there is every possibility that in the near future proposals may be made involving activities on at least as large a scale as the Pinetree project. Under such circumstances, you will appreciate that it is highly desirable to receive at the start from the State Department an explanation of the project. By the same token, it would have been undesirable for this Department to have had to solicit information from U.S. Air Force officers stationed in Ottawa, i.e., the two colonels mentioned in your telegram.

The final point which influenced the decision to refuse the authorisation was the fact that according to the RCAF the aircraft in which Dr. Hubbard planned to travel was already loaded to capacity and his name was not on the passenger list. In addition, while DRB had some knowledge of what "Lincoln" was, they did not know exactly what plans were being proposed for the Canadian Arctic.

This letter is not intended to be a sermon. However, even at this late date I felt that it was desirable for you to know and appreciate why Max Wershof, with the approval of the Under-Secretary, did not approve of the request and why we are still interested in obtaining any available information on the character and scope of project Lincoln.

Yours sincerely,

W.H. B[ARTON]

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763. DEA/50286-40

Le président du Comité des chefs d'état-major
au sous-secrétaire d'État aux Affaires extérieures

Chairman, Chiefs of Staff Committee,
to Under-Secretary of State for External Affairs

SECRET Ottawa, October 28, 1952

PROPOSED VISIT OF U.S. CIVILIAN SCIENTISTS TO RESOLUTE BAY — "PROJECT LINCOLN"

1. Reference your [letter] . . . dated 15 September 1952.

2. Project Lincoln is an organization for research on air defence operated by the Massachusetts Institute of Technology for the U.S. Department of Defence. Personnel include attached service officers as well as scientists. The organization is also known as the Lincoln Laboratories, which is a more appropriate name in as much as it comprises several permanent buildings and undertakes numerous projects known by other names but all connected with air defence. These range from weapon design to radar to data transmission systems. The Lincoln Laboratories also conduct "Summer Studies" which are called for under its general terms of reference. In its latest study two Canadians have participated; namely, a McGill University professor and a member of DRB.

3. Because the terms of reference of Project Lincoln are so general as to include all phases of air defence, and these have been applied to the problem of Continental Air Defence, it is probable that there will be numerous requests from Project Lincoln to gather data in order to determine the feasibility of schemes being studied.

4. Provided no permanent or semi-permanent installations are planned, it is not considered that this would be a "new U.S. project" which would require Canadian Government approval and which would have to be submitted through diplomatic channels, but one which could be cleared on a service-to-service basis.

H.S. RAYNER
Commodore, RCN,
for Chairman, Chiefs of Staff

764. DEA/50286-40

La Ire Direction de liaison avec la Défense
au président du Comité des chefs d'état-major

Defence Liaison (1) Division
to Chairman, Chiefs of Staff Committee

SECRET Ottawa, November 28, 1952

PROPOSED VISIT OF U.S. CIVILIAN SCIENTISTS TO JOINT ARCTIC WEATHER STATIONS
PROJECT LINCOLN

I wish to acknowledge your letter of October 28, 1952, and to thank you for the information you have provided about Project Lincoln. I agree with your conclusion that provided no permanent or semi-permanent installations are planned, this would not be a "new U.S. project" which would require Canadian Government approval and which would have to be submitted through diplomatic channels, but one which could be cleared on a service-to-service basis. I assume that in handling cases of this sort, the Services are aware of the necessity for making arrangements with the meteorological service of the Department of Transport for accommodation of personnel proposing to visit the joint Arctic weather stations.

B. ROGERS
for Under-Secretary of State
for External Affairs

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765. DEA/50286-40

Note de la Ire Direction de liaison avec la Défense
pour le sous-secrétaire d'État par intérim aux Affaires extérieures

Memorandum from Defence Liaison (1) Division
to Acting Under-Secretary of State for External Affairs

SECRET Ottawa, December 9, 1952

PROJECT LINCOLN

On Sunday, December 7, 1952, General McNaughton and Mr. Barton attended a meeting called by Dr. Solandt to discuss with U.S. research and development officials the details of U.S. proposals regarding an early warning radar chain across the Canadian Arctic. The U.S. delegation was headed by Mr. Walter Whitman, the Chairman of the U.S. Research and Development Board, and included representatives from the three U.S. armed services, the Lincoln Laboratories, and the Bell Telephone Laboratories. The Canadian representation was made up of officials from the Defence Research Board and the RCAF. It was explained at the outset that the only purpose of the meeting was to facilitate an understanding of the project by all concerned and that no commitments were involved.

2. The U.S. representatives opened the discussion by expounding their views on the necessity for a much greater degree of early warning against possible air attack than the existing air defence system provided. For this purpose it was proposed to circle the North American continent by a distant early warning system of which the section across the Canadian Arctic was only a part, although a very important one. To illustrate the magnitude of the project reference was made to another link which would consist of a ship and air borne early warning link spreading from Hawaii to Alaska. A similar ship and air borne link would extend from Greenland or Iceland down the Atlantic coast. The Canadian Arctic link was considered to be of primary importance.

3. Although the urgent necessity for some form of distant early warning was agreed upon by all United States agencies concerned, there was considerable difference of opinion as to the feasibility of the Arctic link and the type of information required. To settle this question approval had been obtained from the Joint Chiefs of Staff, the National Security Research Board, the National Security Council and the President, to undertake on the highest priority investigation of the feasibility of building such a chain and the problems involved therein.

4. The basic plans for the chain would be in accordance with the plans evolved during the summer study project of the Lincoln Laboratories, a summary of which has already been circulated in this Department. A sum of $20 million has been allocated for the investigation for the coming year, $15 million of which would be spent on the erection of three or four Arctic test stations during the summer of 1953, and $5 million for research and development. It has been decided that the most expeditious way of getting the work done would be to place a contract with the Bell Telephone System for the whole operation. All the components of the Bell Telephone System, including the Bell Laboratories and Western Electric and Bell of Canada in this country, would play a part. It was agreed that until the results of this feasibility study were available (probably in two or three years time) there could be no decision as to whether or not it was wise or necessary to proceed with the installation of the whole Arctic chain. However, it was pointed out that an important part of the feasibility trials involved the immediate survey of sites for all the stations which would be required across the Canadian Arctic if the system were to be adopted.

5. It has been concluded for a variety of reasons that it would probably be most desirable to erect the three or four test stations about 80 miles apart in the Western Arctic, in the region of the North Alaskan coast line and the Mackenzie River delta. The exact location of these test sites would depend on the results of site surveys, and on a more detailed study of the current Alaska radar construction programme than has been carried out to date. It was agreed by all concerned that if this research study was to be carried out it should be a joint U.S.-Canadian project, with the Defence Research Board and the RCAF providing the Canadian contribution. This contribution would consist of research advice and assistance, but not dollars.

6. There was considerable discussion of the purpose of a distant early warning system and the type of information required from the system. Basically the U.S. scheme involves the use of radar manned by small crews of not more than 10 men per station. The total number of stations in the Canadian Arctic would be about 40, spread along two lines, one threading in a northeasterly direction from the Mackenzie River delta through the Arctic archipelago to Thule. The other line would extend along the Arctic coast across the entrance to Hudson Bay to a point where it would link up with the radar chain on the Labrador coast. The radar installation to be used would give some information of numbers and size of aircraft, and their speed and direction. The principal objections are that the system would not be very difficult to deceive, that the information is so far forward that it would be of little help to the air defence forces, and that without other detecting devices in the area between it and the main air defence installations, it would be susceptible to false alarms if the Russians were to use parrying tactics.

7. Dr. Solandt at this point described work which has been carried out by the Defence Research Board during the past two years on a "poor man's" early warning system. This system consists of a series of small cheaply constructed sets made of standard radio components operating on the Doppler principle. Each station would consist of a transmitter and a receiver. The simplest analogy to describe its operation would be that of the photo electric cell which opens the door of a theatre. Any aircraft which interrupted the beam travelling from the transmitter at one station to the receiver at the next station would ring an alarm. Prototypes of this equipment have been constructed and a small production order has been placed in order to carry out operational tests, although no operational requirement for such a device has yet been stated by the RCAF.

8. The Defence Research Board and the Canadian Air Defence Command has envisaged the employment of this "poor man's" early warning chain along the northern-most line conveniently accessible by existing Canadian communications routes. In rough terms the chain would stretch along the 54th parallel. It is understood that the U.S. Air Defence Command is very keen on the Canadian proposal and would like to see the Canadian early warning fence and particularly the segment which would stretch from Churchill to Jasper installed within the next 12 months. It has been reported, in fact, that behind the scenes the U.S. Air Defence Command resisted the proposals of the Lincoln Laboratory for fear they would prejudice an attempt to be made by the U.S. Air Defence Command to solicit Canadian support of immediate installation of the Canadian chain. Whether this is really the case remains to be seen. Needless to say, none of this was mentioned at the meeting on Sunday. However, it was suggested by the U.S. representatives that the Canadian equipment should be tested in the Arctic in conjunction with the U.S. radar installations.

9. The U.S. representatives concluded the discussion by asking what procedure they should follow to obtain Canadian concurrence in this Arctic early warning experiment. General McNaughton suggested that the best way

would be to have the U.S. Air Member of the PJBD submit the proposals to the Canadian Air Member for consideration prior to the January meeting of the PJBD, at which time there could be further discussion between representatives of the two countries. Arrangements could be made to have the technical experts of both countries attend the PJBD meeting for this discussion.

10. It is concluded from the discussions reported above that the Canadian Government can expect to receive almost immediately a request from the United States for permission to carry out a research project to test the feasibility of an Arctic early warning radar chain. This will involve site surveys for the whole of the proposed chain and the erection of up to four radar stations, probably in the Western Arctic. The proposal will be put forward on the understanding that it involves no commitment by either government with respect to the installation of the complete chain.

11. It is quite possible that the USAF will submit in the near future a separate and unrelated proposal for immediate installation of all or part of the proposed Canadian chain along the 54th parallel. It is assumed that such a request, if advanced, would include an offer to meet the costs involved or at any rate to share in them.

BENJAMIN ROGERS

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766. DEA/50286-40

Note de la Ire Direction de liaison avec la Défense
pour le sous-secrétaire d'État aux Affaires extérieures[85]

Memorandum from Defence Liaison (1) Division
to Under-Secretary of State for External Affairs[85]

SECRET Ottawa, December 30, 1952

PROJECT LINCOLN

I refer to the Memorandum from this Division dated December 9, 1952, reporting on a meeting held on December 7, 1952, to discuss the details of U.S. proposals regarding an early warning chain across the Arctic. This meeting was arranged by the Chairman of the Defence Research Board and was intended to be no more than a technical discussion of the project with a view to facilitating an understanding of the scheme by scientists of the Defence Research Board. It was clearly understood by all concerned that the meeting was not intended as an approach to the Canadian Government either unofficially or officially. Canadian representation at the meeting was limited to technical personnel of the Defence Research Board and the RCAF concerned with air defence. Dr. Solandt personally invited General McNaughton and Mr. Barton to the meeting since they had some technical appreciation of the problems involved and because they would undoubtedly be concerned with the proposal as Chairman and Secretary, respectively, of the Canadian Section of the PJBD.

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[85] Notre copie du document porte la mention manuscrite suivante :
The following was written on this copy of the document:
through Mr. Mackay.

In the course of the discussions General McNaughton made it very clear that any request for authority to carry out surveys would have to be made through the State Department-External Affairs channel. He suggested that prior to any such request the United States Air Force should submit a very full exposition of its plans to Canada through the medium of the PJBD. He explained that the Canadian Section of the PJBD would not be able to indicate any approval of the U.S. proposal but that the submission of the necessary background information through this channel would facilitate consideration by the Canadian authorities.

The U.S. Section of the PJBD has just supplied the Canadian Secretary with a tentative agenda for the next meeting of the Board which is to be held on January 26, 1953, at Aberdeen Proving Grounds, Maryland. The U.S. Section reported that it did not know as yet whether it would be ready to discuss the project at the January meeting or not. I would suggest that until such time as this Department has been informed that the United States wishes to raise the matter at the PJBD, no action should be taken to raise the matter in Cabinet.[86]

M.H. WERSHOF

2e PARTIE/PART 2

QUESTIONS ÉCONOMIQUES
ECONOMIC ISSUES

SECTION A

VOIE MARITIME DU SAINT-LAURENT
ST. LAWRENCE SEAWAY

767. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa,] January 23, 1952

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ST. LAWRENCE SEAWAY AND POWER PROJECT; APPOINTMENT OF BOARD OF ENGINEERS; COMMENTS ON U.S. LEGISLATION

19. *The Minister of Transport*, referring to discussion at the meeting of December 29th, 1951, said an exchange of notes on the St. Lawrence development project had taken place on January 11th between the U.S.

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[86] Note marginale :/Marginal note:
OK. L.B. P[earson]

Secretary of State and the Canadian Ambassador at Washington.[87] These notes had referred to the understanding reached by the Prime Minister and President Truman at Washington on September 28th, 1951, and to subsequently enacted Canadian legislation relating to both the seaway and power phases of the project. The Canadian note had suggested, and Mr. Acheson had agreed, that, to avoid delay in proceeding with the all-Canadian seaway in the event Congressional approval of the 1941 Agreement was not gained at an early date, steps be taken in the immediate future to prepare concurrent applications to the International Joint Commission in respect of power development in the International Rapids Section based on the assumption that the deep waterway would be developed unilaterally by Canada. To this end, it was agreed that a series of meetings between appropriate Canadian and U.S. representatives should begin towards the end of January either at Washington or Ottawa.

Before concurrent applications to the I.J.C. were put in final form, however, agreement would have to be reached between the Federal, Ontario and Quebec governments on the one hand and the United States on the other as to the detailed conditions governing the manner in which water was to be used for power purposes in the International Section. With this in mind, the Continuing Committee on the St. Lawrence Seaway and Power Project had recommended that, as had been done in 1941, a Board of Engineers comprising nominees of the Federal, Ontario and Quebec governments be established immediately to prepare the Canadian application and ancillary governing conditions to the I.J.C. in respect of the power phase of the project.

The Continuing Committee had also examined the two St. Lawrence resolutions concurrently before the U.S. Congress seeking approval of the 1941 Agreement, and had recommended that the Canadian Ambassador at Washington be requested to pass on informally, to the U.S. State Department, Canadian views on certain of the provisions in these resolutions which appeared to be unacceptable to Canada. The principal change suggested would be the elimination from both resolutions of provisions which would make it possible to charge tolls only on the 27-foot waterway and not on the all-Canadian 14-foot waterway. It might well be that the Canadian government would wish at some time to impose tolls on the 14-foot waterway since otherwise encouragement might be given to the perpetuation on a large scale of shallow draught shipping which would likely result in the Welland Canal reaching the congestion stage much earlier than might otherwise be the case. Mr. Wrong should also, in the Committee's view, be asked to point out to the U.S. State Department that the formulae for the allocation of the cost of "common works", as presently set out in the Congressional resolutions, would undoubtedly have an effect on the negotiations of an agreement with Ontario in this respect. The Committee thought that it would be best to base the tolls on the cost of works undertaken solely for navigation as was the case under Federal legislation providing for an All-Canadian seaway. It was appreciated, however, that Congress might not be prepared either to assign the entire cost of the common works to power or to have some portion of that cost not subject to amortization. If this was the view of the U.S. State Department, it was felt that the resolutions should be reworded in such a manner as to make more explicit their apparent intent that the investment by each country shall include expenditures made on works constructed after 1941 and required for navigation or for both power and navigation, whether made by the Federal governments or State or Provincial governments or by Agencies thereof, and shall also include compensation to be paid by Canada to Quebec for common works at Soulanges constructed prior to 1941.

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[87] Voir Ministère des Affaires extérieures, communiqué de presse, n° 5, 28 janvier 1952.
See Department of External Affairs, Press Release, No. 5, January 28, 1952.

An explanatory note was circulated.

(Memorandum, Continuing Committee on the St. Lawrence Seaway and Power Project, Jan. 23, 1952 — Cab. Doc. 15-52)†

20. *The Secretary of State for External Affairs* felt that comments on current U.S. legislation along the lines suggested by the Continuing Committee should probably be passed on informally to the U.S. State Department. It was important, however, that any amendments to the resolutions which might result from these comments should appear to originate not with the Canadian government but with the U.S. administration itself, since otherwise President Truman, who had publicly stated that he would support the all-Canadian route in the event Congress failed to approve the 1941 Agreement, might be placed in an awkward position if it could be made to appear that Canada itself had made the joint seaway impossible by insisting on changes in the authorizing resolutions which were unacceptable to the United States Congress.

21. *The Prime Minister* pointed out, in this connection, that the Canadian government had always taken the stand that it would prefer development of the seaway to be on a joint basis as contemplated in the 1941 Agreement. That Agreement, however, made no provision for the amortization of the scheme through the imposition of tolls. The situation would be substantially altered if the United States now proceeded to alter the 1941 Agreement by attaching thereto toll provisions which were clearly unacceptable to Canada.

22. *The Minister of Trade and Commerce* questioned the advisability of appointing a Board of Engineers as recommended by the Continuing Committee before the St. Lawrence Seaway Authority was established under the terms of the legislation enacted at the last session of Parliament. In view of the numerous conflicting interests involved, he feared that a Board of Engineers might possibly reach a stalemate and for this reason it would be useful if the Authority could be appointed in the near future to exercise some overall control over the Board of Engineers.

23. *Mr. Chevrier* suggested that it might not be possible to consider establishment of the St. Lawrence Seaway Authority for a few weeks at least. In the meantime, however, there was a considerable amount of technical work urgently required in connection with the preparation of power applications to the International Joint Commission. He thought, therefore, that a Board of Engineers should be established immediately comprising three members

appointed by the Federal government and one each by the Provinces of Ontario and Quebec.

24. *The Cabinet*, after considerable further discussion:

(a) approved in principle the establishment of a Canadian Board of Engineers comprising three members appointed by the Federal government, one by Ontario and one by Quebec; draft terms of reference for such a Board to be prepared and submitted by the Continuing Committee; and,

(b) agreed that the Canadian Ambassador at Washington be directed to pass on informally to the U.S. State Department comments along the lines suggested by the Continuing Committee on certain provisions contained in U.S. legislation presently before Congress; the message to the Ambassador in this connection to be subject to the approval of the Minister of Transport and the Secretary of State for External Affairs.

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768. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa,] February 4, 1952

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ST. LAWRENCE DEVELOPMENT PROJECT; BOARD OF ENGINEERS; ESTABLISHMENT; TERMS OF REFERENCE

1. *The Minister of Transport*, referring to discussion at the meeting of January 23rd, 1952, submitted and read draft terms of reference for a Board of Engineers to be established for the purpose of co-ordinating the interests of the governments concerned in the application to the International Joint Commission on power development in the International Section of the St. Lawrence River.

An explanatory note had been circulated.

(Memorandum, Continuing Committee on the St. Lawrence Seaway and Power Project, Jan. 30, 1952 — Cab. Doc. 25-52)†

Mr. Chevrier submitted recommendations as to the three Federal members of the Board. He added that he would be absent from Ottawa during the next few days and suggested that the Minister of Trade and Commerce might communicate by telephone with the Premiers of Ontario and Quebec in order to obtain their concurrence in the appointment of one member from each of those two provinces.

2. *The Cabinet*, after discussion:

(a) agreed that a five-man Board of Engineers, of whom three were to be appointed by the Federal government and one each by the governments of Ontario and Quebec, be established to co-ordinate the interests of the governments concerned in the application to the International Joint Commission on power development in the International Section of the St. Lawrence River;

(b) approved the terms of reference for the said Board as submitted by the Continuing Committee on the St. Lawrence Seaway and Power Project; and,

(c) agreed that, if and when the Minister of Trade and Commerce obtained the concurrence of the Premiers of Ontario and Quebec in the proposed course of action, Orders in Council be passed establishing the Board of Engineers and providing for the appointment thereto of three Federal members.

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769. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa,] March 4, 1952

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ST. LAWRENCE PROJECT; U.S. CONGRESSIONAL RESOLUTIONS; PROPOSED NAVIGATION TREATY; OGOKI-LONG LAC DIVERSIONS

16. *The Minister of Transport,* referring to discussion at the meeting of February 4th, 1952, said the government's objections to certain features of the Resolutions currently before Congress for approval of the 1941 Agreement on the St. Lawrence Development Project had been discussed informally by the Canadian Embassy at Washington with the State Department and other officials of the U.S. Administration. The U.S. Administration had not acted on the Canadian suggestions, since they felt very strongly that any attempt to do so at this stage would seriously jeopardize the chances of approval of the 1941 Agreement.

It was understood that the Senate Foreign Relations Committee would conclude hearings and perhaps vote on Senate Resolution S.J. 27 that day.

The Continuing Committee on the St. Lawrence Seaway and Power Project had recommended that, if and when the Resolution was reported out by the Senate Foreign Relations Committee, an appropriate occasion might be found for putting on record with the State Department the position of the Canadian government with respect to the resolutions before Congress. This might be done in the form of a memorandum making the simple statement that it might be difficult for the Canadian government to accept some of the proposed modifications of the 1941 Agreement and referring to the oral discussions already held on the particular points.

(Memorandum, Chairman, Continuing Committee on St. Lawrence Seaway and Power Project, March 3, 1952 — Cab. Doc. 75-52)†

17. *The Secretary of State for External Affairs* thought that, in submitting such a memorandum to the State Department, every care should be taken to

ensure that the U.S. Administration assumed responsibility for sponsoring any amendments that might result from our suggestions.

18. *The Minister of Trade and Commerce* felt Canada should do nothing likely to jeopardize approval of the 1941 Agreement by Congress. If it were found, after approval, that the Congressional measures contained certain features which were completely unacceptable to the Canadian government, it would no doubt be possible to obtain from the U.S. Administration assurances that amending legislation would be put through Congress.

19. *Mr. Chevrier* also submitted draft treaties on navigation rights in the St. Lawrence River and Great Lakes System and on the diversion of waters into the Great Lakes. The first treaty would be designed to establish on a permanent basis U.S. and Canadian navigation rights in all boundary waters including the St. Lawrence and Great Lakes System. The second treaty would confirm Canada's right to use for hydro-electric purposes the waters diverted into the Great Lakes System at Ogoki and Long Lac.

Explanatory notes had been circulated.

(Memoranda, Chairman, Continuing Committee on the St. Lawrence Seaway and Power Project, March 3rd. 1952 — Cab. Docs. 76 and 77-52)†

20. *The Cabinet*, after discussion, agreed that:

(a) if and when Senate Resolution S.J. 27 were reported out by the U.S. Senate Foreign Relations Committee, the Canadian Ambassador at Washington be asked to put on record at the State Department a memorandum making the general statement that it might be difficult for the Canadian government to accept some of the provisions of the Senate Resolution which would have the effect of amending substantively the 1941 Agreement, and stating further that, notwithstanding such objectionable features, the Canadian government did not wish to place any insuperable barriers in the way of eventual approval of the 1941 Agreement by Congress; and,

(b) the Continuing Committee discuss with U.S. officials during the forthcoming meetings on the St. Lawrence Project the possibility of negotiating treaties on navigation rights in boundary waters and on diversion of waters into the Great Lakes System along the lines recommended by the Committee.

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770. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa,] March 25, 1952

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ST. LAWRENCE DEVELOPMENT PROJECT

36. *The Minister of Transport*, referring to discussion at the meeting of March 4th, 1952, said that during meetings, on March 6th and 7th, with U.S.

officials on the St. Lawrence Seaway and Power Project, it had been hoped some assurances would be obtained as to a target date for submission to the International Joint Commission of concurrent applications for power development based on the assumption of an all-Canadian seaway, and that, if Congress did not approve the 1941 Agreement, Washington could find some method to develop the U.S. share of power without giving rise to constitutional or legal problems that would create further delays. The discussions had made it clear, however, that such assurances could not be obtained immediately.

The resolution on the project presently under consideration by the U.S. Senate Foreign Relations Committee might be reported out by the committee in a few weeks, without vote, and it was thought unlikely that it would then obtain the support of the required Senate majority. No action by the House Public Works Committee on the resolution that had been before it since last October appeared likely during the current session.

Mr. Wrong, the Ambassador in Washington, had suggested that the U.S. government's reluctance to designate a power-development authority probably resulted more from conflict between the U.S. and New York power policies than from fear of the possible effect of such designation on the attitude of Congress to the 1941 Agreement. United States officials had indicated earlier that, if it became necessary to proceed without express Congressional approval, it would probably be impossible to devise a plan for power development on the U.S. side that would definitely remove the risk of litigation and delay. Mr. Wrong thought that, if as seemed likely, the 1941 Agreement failed to gain Congressional approval, the major difficulties in implementing the Canadian plan would possibly arise from conflict between the U.S. and New York power policies rather than the legal or constitutional problems mentioned.

Recently the Legal Adviser of the State Department had suggested that, as the 1941 Agreement would probably not be approved at this session, Mr. Wrong should inform Mr. Acheson that, in Canada's opinion, it had not been possible to secure approval of the 1941 Agreement at an "early" date within the meaning of the agreement between the Prime Minister and the President, and ask that the U.S. government now consider designating a power-development authority. He had also intimated that, if this step were not taken soon, it might be difficult for Mr. Truman later to designate the New York Power Authority as the U.S. agency.

In the light of the government's declared intention to proceed with an all-Canadian seaway if Congressional approval of the 1941 Agreement were not obtained at an early date, and although litigation in the United States might considerably delay construction, he recommended that a request for immediate designation of a power-development authority in the United States be forwarded to Mr. Truman by Mr. Wrong through Mr. Acheson, and that the Board of Engineers be asked to prepare the Canadian application to the International Joint Commission as soon as possible.

37. *The Minister of Trade and Commerce* favoured pressing the U.S. government in the manner proposed.

38. *The Prime Minister* thought he should not make a direct request to the President unless an approach through Mr. Wrong failed. The Secretary of State for External Affairs could discuss with Mr. Wrong the timing of the latter's approach.

39. *The Cabinet,* after further discussion, approved the recommendations of the Minister of Transport and agreed that:

(a) a request for immediate designation of the appropriate power-development authority in the United States be forwarded to the President by the Ambassador in Washington, through the U.S. Secretary of State; the timing of the request to be settled by the Secretary of State for External Affairs with the Ambassador;

(b) the Board of Engineers be requested to make every effort to complete drafting of the Canadian application to the International Joint Commission at the earliest possible date.

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771. DEA/1268-D-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis

Secretary of State for External Affairs
to Ambassador in United States

TELEGRAM EX-643 Ottawa, March 26, 1952

CONFIDENTIAL. IMMEDIATE.

ST. LAWRENCE WATERWAY

Confirming our telephone conversation of a few moments ago, would you please see the Secretary of State as soon as possible and tell him that in accordance with arrangements previously agreed upon by the President and the Prime Minister, and subsequent discussions, the time has now come, we think, that the President should designate the appropriate U.S. Power authority so that the submission for the Canadian waterway can be made to the International Joint Commission. The recent information which you have sent us from Washington on this matter indicates that we should now act without delay and as formally as possible.

2. For your own information, it may be necessary later for the Prime Minister to approach the President direct in this matter, so that the earlier undertakings may be carried out. However, that time has not yet arrived, and the first step should, in any event, be your approach to Mr. Acheson. Ends.

772. DEA/1268-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-830 Washington, March 26, 1952

CONFIDENTIAL. IMPORTANT.

ST. LAWRENCE PROJECT

1. In accordance with your instructions telephoned this morning, I saw the Secretary of State this afternoon. I referred to the passage in the communique of September 28th last in which the President undertook to "support Canadian action as second best if an early commencement on the joint development does not prove possible". I said that the Canadian Government considered that there was now no serious possibility that the 1941 agreement would be approved by this Congress and that therefore the time had come to take the steps necessary to proceed with the Canadian waterway. The first of such steps would be for the President to designate a United States authority to develop, in conjunction with Ontario, the power facilities. Application could then be made to the International Joint Commission for approval. I asked Mr. Acheson to take the matter up with the President as a matter of urgency as soon as he could do so after the President's return to Washington tomorrow.

2. Mr. Acheson undertook to do this. We then had a discussion of the congressional situation during which Peterson, who was with Mr. Acheson, gave a gloomy account of the prospects. He said that the Foreign Relations Committee was tied up with the mutual security program until probably April 20th, and that if it then reported the St. Lawrence Project, there would certainly be a filibuster by the opponents on the floor. (Senator Lehman's office takes the more optimistic view that the Senate Committee would probably vote next week and informs us that in caucus the majority leader in the Senate announced that the St. Lawrence Project ought to be brought forward at an early date, without arousing opposition from Senator Connally.)

3. Mr. Acheson also said that he would discuss the various legal problems involved with Mr. Adrian Fisher. He thought it might be feasible to go forward with the application to the I.J.C. while keeping alive the possibility of reverting to the 1941 agreement if Congress should approve it before the I.J.C. made recommendations.

4. I mentioned to him that I understood that the Prime Minister was ready to approach the President directly if that would be of assistance. (I had not then received your EX-643 of today in which this was mentioned for my own information.) He said that he would prefer to talk first to the President himself and would let me know if the President considered that a letter from the Prime Minister would be useful to him.

773. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa,] April 8, 1952

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ST. LAWRENCE PROJECT

62. *The Secretary of State for External Affairs*, referring to discussion at the meeting of March 28th, 1952, said the U.S. Secretary of State had seen the President over the week-end about the Canadian request that Mr. Truman take early action to designate an authority in the United States responsible for the development of power on the U.S. side of the international section of the St. Lawrence River. Mr. Truman had indicated appreciation of Canada's patience over the years in awaiting U.S. action on the St. Lawrence project. Mr. Acheson had subsequently suggested that Mr. Pearson discuss the matter with Mr. Truman and it had now been learned that Mr. Truman was prepared to receive him on April 14th. He and the Minister of Transport, who would be in Washington at that time, could therefore call on Mr. Truman as proposed if this were considered desirable. It appeared wise to take advantage of this opportunity with a view to obtaining a decision at the earliest possible date. Mr. Acheson was hopeful that Mr. Truman would be prompt in arriving at a decision although it would be recalled that his Secretary of the Interior was opposed to designation of the New York Power Authority.

63. *The Minister of Transport* mentioned that the Board of Engineers established to prepare a draft of the Canadian reference to the International Joint Commission and of a set of conditions to govern the operation of the power project appeared to have nearly completed its task. A difficulty had arisen, however, in that the Quebec member of the Board had now raised questions with regard to "Method of Regulation No. 5" which had long since been approved by engineering officials in both countries. The Chairman of the Board planned to have the Quebec and Ontario members meet shortly in the hope of clearing up this matter.

It would still be necessary to hold a further meeting of Canadian and U.S. officials to discuss certain outstanding engineering and legal problems.

64. *The Prime Minister* thought the proposed visit to the President would be useful as it was desirable that Mr. Truman be made to feel that he was committed to early action on the power project and that he would be falling down on the undertaking he had given in the autumn if he did not now designate a power development authority. If he agreed at an early date to take action, it might be necessary for the government to proceed with its reference to the Commission without the express agreement of the Quebec member of the Board of Engineers. The position was that the Board was expected to give advice but that the government had the responsibility for making a reference to the Commission.

65. *The Cabinet*, after further discussion, noted the report of the Secretary of State for External Affairs and agreed that:

(a) the Secretary of State for External Affairs and the Minister of Transport accept an invitation to call on President Truman on April 14th to press the Canadian request that he take prompt action to permit reference of the St. Lawrence Power Project to the International Joint Commission;

(b) every effort be made to ensure early completion of the work of the Board of Engineers and of discussions with U.S. officials so that there might be no risk of delay in submission of the Canadian reference to the International Joint Commission in the event of Mr. Truman acting promptly.

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774. DEA/1268-D-40

Compte rendu d'une discussion

Record of Discussion

CONFIDENTIAL Washington, April 14, 1952

AGREED RECORD OF DISCUSSION WITH THE PRESIDENT ON THE ST. LAWRENCE PROJECT HELD AT THE WHITE HOUSE ON APRIL 14TH

At the meeting in the President's Office at 12:30 p.m. on April 14th there were present from the Administration:

President Truman,
Mr. Dean Acheson, Secretary of State,
Mr. David Bruce, Under-Secretary of State,
Mr. Stanley Woodward, United States Ambassador to Canada, and
Mr. Charles Murphy, Special Counsel to the President.

The Canadian representatives were:

The Honourable L.B. Pearson, Secretary of State for External Affairs,
The Honourable Lionel Chevrier, Minister of Transport, and
Mr. Hume Wrong, Ambassador to the United States.

The President opened the meeting by saying that there had been more than enough delay in getting the St. Lawrence project under way and that he was anxious that it should be started as soon as possible. There was, however, some prospect that the Senate would act on the 1941 Agreement; the Senate Foreign Relations Committee was to consider the matter on April 22 and it was expected that the Committee would report the joint resolution endorsing the agreement. He therefore asked that the Canadian Government should consent to wait for thirty days in order to determine what action the Senate might take, adding that this was the last time on which he would make a suggestion for a further delay.

He asked Mr. Acheson whether he had any comments to make on his opening remarks. Mr. Acheson said that he fully agreed that the patience shown by the Canadian Government was extraordinary, and he supported the views expressed by the President.

Mr. Pearson welcomed the remarks made by the President. The Canadian Government however was anxious that there should be no delay in taking the first step necessary to clear the way for the construction of the waterway by Canada, which was agreement on a reference to the International Joint Commission of the power phases of the project by both Governments. Such a reference as soon as possible would not prejudice the joint project if Congress were to act before the end of the session.

Mr. Truman said that he had no objection whatever to the two governments proceeding to a reference to the International Joint Commission without any delay. He asked Mr. Murphy to speak on the problem of designating a United States agency to share in the construction of the power facilities.

Mr. Murphy said that it would not be necessary immediately to specify any particular agency. Later on a particular agency could be named after it became clear that the Congress would not act on the joint project. He asked whether the reference to the I.J.C. would cover the Canadian waterway as well as the power facilities.

Mr. Pearson said that it was not necessary to refer the Canadian waterway to the I.J.C. The Canadian Government, however, was prepared to give the most definite assurances that the waterway would be constructed by Canada. The engineers designated by Canada to sit on any engineering board set up for the power facilities by the I.J.C. would be the same men who would be responsible for the plans for navigation.

Mr. Acheson then inquired whether any issues concerning water levels in the St. Lawrence would arise in connection with the building of the canal in Canadian territory. Mr. Chevrier explained that in constructing the Canadian waterway the plans employed for regulation of levels were those embodied as Method No. 5 in the plans for the joint project and that these plans had been fully agreed by the engineers of both countries. Mr. Pearson remarked that if it was found that the building of a Canadian waterway involved matters coming within the scope of the Boundary Waters Treaty of 1909, the question of levels in the river might have to consided by the I.J.C.

In answer to a question by Mr. Acheson, Mr. Chevrier gave an assurance that the plans for power development would be the same as those worked out in the 1941 Agreement if the waterway was to be constructed by Canada.

Mr. Pearson and Mr. Chevrier remarked that it would be an advantage if the United States agency which would co-operate with Ontario were the New York Power Authority. They explained that Ontario and New York had already worked out an agreement on the tricky question of the division of costs between power and navigation facilities and that it would be very convenient not to disturb this.

The President agreed that the two governments should go ahead at once in preparing an application to the I.J.C., remarking that this might stimulate the Congress to move on the joint project. He asked Mr. Murphy to urge the United States departments and agencies concerned to get on with the preparation of an application as rapidly as possible. He added that he would do anything that was legal, legitimate and fair to further the project at this time.

Mr. Murphy observed that one of the things that would need doing would be to get before the Federal Power Commission an application of a United States entity for permission to construct the United States share of the power facilities.

Mr. Acheson then said that he wished to be quite clear on the agreement which had been reached. Was he correct in understanding the discussion as concluding that a period of thirty days would be left after the Senate Foreign Relations Committee consider the joint project on April 22nd before an application would be submitted to the I.J.C., and that later on if it became apparent that the joint project was dead, a specific agency would be designated by the President to develop the United States part of the power works?

Mr. Pearson said that that was not his exact understanding. What he understood was that an application would be filed with the I.J.C. as soon as it could be prepared without any necessity for waiting thirty days from April 22nd if the application was ready before then. During the thirty-day period, the designation by the United States of a particular agency to undertake the power development was not expected, but this would follow if Congress had taken no action in due course. If the Congress were to approve the joint project within that time, or indeed at any time while the application was under consideration by the I.J.C., both governments would be ready to revert to the 1941 Agreement and withdraw the matter from the I.J.C.

The President endorsed the interpretation given by Mr. Pearson, and it was agreed to proceed as rapidly as possible with the preparation of the application to the I.J.C. It was also agreed that the press should be informed at once.

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775. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa,] April 30, 1952

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HIGH WATER LEVELS IN THE GREAT LAKES; REFERENCE TO INTERNATIONAL JOINT COMMISSION

39. *The Secretary of State for External Affairs*, referring to discussion at the meeting of March 28th, 1952, submitted a revised draft reply to the U.S. government's request that the question of high water levels on the Great Lakes be referred to the International Joint Commission. The draft note, as revised, indicated that the government was prepared to concur in the suggested reference to the International Joint Commission on the understanding that the reference would be drafted in such a manner as not to delay, in any way, consideration and approval of the application on the St. Lawrence development project when submitted.

An explanatory note had been circulated.

(Minister's memorandum, April 26, 1952 — Cab. Doc. 133-52)†

40. *The Minister of Transport* pointed out that it now seemed possible that concurrent applications in respect of the St. Lawrence development project might be filed with the International Joint Commission in a few weeks' time. In the circumstances, it might be preferable to postpone our reply to the U.S. request regarding water levels until such time as the St. Lawrence applications had actually been submitted to the Commission.

41. *Mr. Pearson* thought it would be politically and otherwise undesirable to withhold any longer Canadian concurrence in the reference of the high water levels problem. The draft reply to the U.S. request, however, might be reworded to make it unmistakably clear that the St. Lawrence application would have priority consideration by the International Joint Commission even if submitted later than the high water levels reference.

42. *The Cabinet*, after discussion, approved in principle the draft reply to the U.S. government's request for reference of the high water levels problem on the Great Lakes to the International Joint Commission subject to revision along the lines suggested by the Secretary of State for External Affairs and clearance with the Minister of Trade and Commerce and the Minister of Transport.

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776. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa,] May 6, 1952

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ST. LAWRENCE DEVELOPMENT PROJECT; APPLICATION TO THE INTERNATIONAL JOINT COMMISSION

25. *The Minister of Transport* submitted a draft application to the International Joint Commission respecting the development of power in the International Rapids Section of the St. Lawrence River. The draft had been prepared as a result of meetings of the joint Legal and Engineering Sub-Committees at Washington on April 24th and 25th and of subsequent discussions between Canadian Government officials and representatives of the Ontario Hydro-Electric Power Commission. It had now been communicated to the U.S. State Department for consideration and comment.

An explanatory note had been circulated.

(Secretary's memorandum, May 5, 1952 — Cab. Doc. 136-52)[†]

26. *The Cabinet* noted with approval the draft application to the International Joint Commission respecting development of power in the International Rapids Section of the St. Lawrence River as submitted by the Minister of Transport.

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777. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa,] May 14, 1952

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ST. LAWRENCE PROJECT; PREPARATION OF CANADIAN AND U.S. APPLICATIONS TO THE INTERNATIONAL JOINT COMMISSION FOR POWER DEVELOPMENT

1. *The Minister of Transport*, referring to discussion at the meeting of May 6th, 1952, said copies of the draft U.S. application to the International Joint Commission on development of power in the International Rapids Section of the St. Lawrence River had now been received.

One of the more important differences between the Canadian and U.S. drafts was that the U.S. version provided that a Board of Control should be appointed by and remain under the supervision of the International Joint Commission. The Canadian application had provided that such a Board should be appointed by and remain under the direction of the two governments. Federal, Ontario and Quebec engineers apparently favoured the Canadian proposal. They had pointed out that the International Joint Commission was in many respects a quasi-judicial body and that for this reason, amongst others, it would seem inappropriate for the Commission to carry out administrative functions such as those with which the proposed Board of Control would be charged.

It was further feared that the present wording of the clause in the U.S. draft relating to allocation of costs between the Canadian and U.S. power developing entities might prejudice our existing agreement with the Province of Ontario, and the Interdepartmental Committee on the St. Lawrence Project had suggested that the looser wording in the Canadian draft application would be preferable from our point of view.

2. *The Prime Minister* pointed out that the federal government had committed itself to construct the seaway as an all-Canadian undertaking on the clear understanding that allocation of costs would be on the basis as outlined in the 1951 Canada-Ontario Agreement. Any substantial departure from that basis might place the government's commitment respecting development of the seaway in a different light. He did not see why it would not be possible for the Canadian and U.S. applications to be drawn in such a manner as to allow for costs to be allocated in each country on whatever basis seemed most desirable.

3. *The Secretary to the Cabinet* pointed out that a clause requesting the International Joint Commission to allocate costs between the power developing entities had been inserted in the application at the suggestion of the U.S. State Department, because it was felt in Washington that this might be one way in which New York State could be allowed to develop power, without violating the U.S. Constitution, by entering into an agreement with Ontario. It seemed important to the Interdepartmental Committee that the relevant clauses in both sections should be drafted in such a manner that it would be possible,

during I.J.C. hearings, to submit to the Commission a suggested allocation of costs for both countries which would be along the lines of the 1951 Canada-Ontario Agreement. It should be borne in mind that for practical purposes the allocation of costs to power would probably have to be identical in both countries, as the Province of Ontario could not be expected to agree to pay more for electric energy than New York State, because, in both cases, the power would be coming from the same development.

The Chairman of the Ontario Hydro-Electric Power Commission had been informed, in confidence, by the head of the New York State Power Authority, that there was every indication that the U.S. government would, in the near future, name New York as the power developing agency in the United States. If this were true, it might be possible to suggest to Washington that the U.S. government now agree to seek New York's acceptance of an allocation of costs similar to that agreed to by Canada and Ontario.

4. *The Minister of Trade and Commerce* thought the question as to whether the proposed Board of Control should be appointed by the two governments or by the International Joint Commission, as suggested by the State Department, was relatively unimportant and that Canada should accept the U.S. suggestion if there was any thought that any other course of action might jeopardize the project.

5. *Mr. St. Laurent* believed there might indeed be some merit in the American suggestion that the Board of Control be appointed by and remain under the general supervision of the International Joint Commission, since the latter body had been established as a result of a treaty between the U.S. and Canada which was legally binding on both countries.

6. *Mr. Chevrier* said the Canadian Ambassador at Washington had been asked to arrange a meeting between appropriate U.S. and Canadian officials for the following Friday, May 16th, with a view to reaching agreement on the more important points of difference between the U.S. and Canadian draft applications.

7. *The Secretary of State for External Affairs* reported that the U.S. Senate had now agreed to place the St. Lawrence resolution (Senate Resolution S.J. 27) on its agenda. There were only two other important items ahead of the St. Lawrence Resolution on the Agenda and it was possible that discussion on the St. Lawrence measure might take place in a week or two. It was possible that, as a result of such discussion, a favourable vote might be secured in the Senate which might cause the U.S. Administration to seek a further postponement of any action on the all-Canadian seaway, even though there did not appear to be any hope that action of any kind would be taken in the House of Representatives during the course of the present session. For this reason, it was important that preparations for the submission of concurrent power applications to the I.J.C. should be completed as quickly as possible.

8. *The Cabinet,* after discussion, noted the report of the Minister of Transport on the reference to the International Joint Commission on the St. Lawrence Power Project and:

(a) agreed that the U.S. suggestion that the proposed Board of Control be appointed by and remain under the general supervision of the International Joint Commission be accepted, if it seemed likely that non-acceptance would in any way jeopardize the chances of an early submission of concurrent applications for power development to the International Joint Commission;

(b) that every effort be made to secure U.S. acceptance of an allocation of costs to power similar to that envisaged in the 1951 Canada-Ontario Agreement and that the relevant clauses in both applications be drafted in such a manner as to make such an allocation of costs possible; and,

(c) noted with approval the proposed meeting of Canadian and U.S. officials at Washington on May 16th for the purpose of reconciling differences between the Canadian and U.S. draft applications to the International Joint Commission.

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778. **PCO**

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa,] May 21, 1952

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ST. LAWRENCE SEAWAY AND POWER PROJECT; PREPARATION OF APPLICATIONS TO INTERNATIONAL JOINT COMMISSION

3. *The Minister of Transport* reported that members of the Canadian Interdepartmental Committee on the St. Lawrence Seaway and Power Project had met with members of the U.S. Inter-Agency Committee on May 16th in Washington, to discuss differences between the Canadian and U.S. draft applications to the International Joint Commission respecting power development in the International Rapids Section of the St. Lawrence River with a view to achieving consistent and mutually satisfactory texts. All differences between the two drafts, with one major exception, were reconciled with relative ease and agreed drafts were produced in which, although there were still some textual differences, the substance of both applications remained consistent. The one point on which it was not possible to reach agreement was the question as to whether the whole of the costs of the common-works (as contemplated in the 1951 Canada-Ontario Power Agreement) or only a portion of such costs was to be attributed to power.

U.S. officials had advanced many arguments to demonstrate that the allocation of the whole cost of the common-works to power, as envisaged in the Canadian proposal, might jeopardize the project by making its acceptance in the United States difficult since the Federal Power Commission might find itself unable to grant a licence to the power developing entity in the United States if it were established that power consumers would be called upon to pay any portion of costs which might not reasonably be attributed to power.

Members of the Canadian Committee were inclined to feel that many, if not most, of the arguments advanced by U.S. officials were none too valid and that, in the long run, the Canadian proposal, as it stood, might be accepted in the United States. In the circumstances, however, the government might wish to consider adding to its present commitment regarding the seaway certain costs which could be considered exclusively required for navigation needs, such as the $14 million that Ontario and New York were expected to remit to the Federal government in lieu of provision for maintenance of the 14-foot navigation, which would become unnecessary with construction of the 27-foot waterway, a certain percentage of the $20 million dredging above the power works, which would not be required if power were to be developed alone, and finally the cost estimated at $1.5 million of further deepening the channel on the U.S. side of the boundary in the Thousand Islands Section.

An explanatory note was circulated.

(Memorandum, Continuing Committee on the St. Lawrence Seaway and Power Project, May 19, 1952 — Cab. Doc. 156-52)[†]

4. *Mr. Chevrier* thought it might be unwise to reopen at this time the question of the $14 million repayment in lieu of maintenance of 14-foot navigation. In so far as the $20 million additional dredging above the power works was concerned, Canadian engineers were of the view that this would be required for a sound development of power quite apart from navigation needs. However, there did seem to be some merit in Canada agreeing at this time to undertake the $1.5 million of additional dredging in the Thousand Islands Section if, as seemed probable, the United States could not undertake this work in view of the Administration's inability to secure the required funds from Congress.

5. *The Prime Minister* believed it would be unwise to modify substantially the nature of the government's commitment on the Seaway. The situation was completely different now from that in 1941, when a joint and all-embracing Great Lakes-St. Lawrence Basin development programme was contemplated with Canada receiving credit for work already done, such as the $132 million spent on the Welland Canal. As a consequence, Canada could not now consent to a return to the concept of allocation of the so-called common-works costs between power and navigation. In view of the apparent impossibility of obtaining Congressional approval for the 1941 Agreement and, since both the Province of Ontario and the State of New York were prepared in 1948 to share alone all the costs, including common-works, of developing power in the International Rapids Section without the deep waterway, the government's proposal was and remained that Canada would agree to build whatever works were required to provide a 27-foot waterway between Lake Ontario and the Port of Montreal, after Ontario and a suitable entity in the United States had agreed to construct and pay for all the works required for the development of power alone. He agreed, however, that the United States might be informed that Canada was prepared to do whatever dredging was required in the Thousand Islands Section and to include the costs of such dredging in the proposed toll structure on shipping.

6. *The Minister of Trade and Commerce* thought it would be inadvisable to modify the extent of the Federal government's commitment on the Seaway in any manner which would involve a modification of the 1951 Agreement with Ontario on Power Development.

7. *The Cabinet*, after discussion, agreed that the extent of the Canadian government's undertaking on the International Section of the St. Lawrence project should remain on the basis outlined in the 1951 Canada-Ontario Power Agreement but that, in addition to this commitment, the government was prepared to provide a 27-foot waterway between Lake Ontario and the Port of Montreal including approximately $1.5 million dredging on the U.S. side of the boundary in the Thousand Islands Section which latter cost would be included in the toll structure.

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779. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa,] May 30, 1952

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ST. LAWRENCE DEVELOPMENT PROJECT; CLARIFICATION OF THE CANADIAN COMMITMENT TO CONSTRUCT THE DEEP WATERWAY

21. *The Minister of Transport*, referring to discussion at the meeting of May 20th, said that the Canadian Ambassador at Washington had suggested that the best means of clarifying the nature of the Canadian commitment in respect of the St. Lawrence Seaway, insofar as U.S. officials were concerned, might be for Mr. Wrong to address a letter to the Chairman of the U.S. Inter-Agency Committee on the St. Lawrence Project containing a brief statement on the scope and intent of the Canadian government's proposal for an alternative all-Canadian deep waterway. The Interdepartmental Committee on the St. Lawrence Seaway and Power Project had concurred in this suggestion and had prepared a draft letter which was submitted for consideration and approval.

The letter would make it clear that the application to the International Joint Commission now contemplated in both Canada and the United States was an application for the development of power in the International Rapids Section of the St. Lawrence River and not an application for the development of navigation and power. As a consequence, the United States suggestion that the International Joint Commission be asked to allocate costs as between power and navigation was unacceptable, although Canada would agree to the applicants requesting the I.J.C. to allocate between the power developing entities the costs of all the works and undertakings for which those entities were to be responsible. The letter would go on to explain that the Canadian proposal was based on the assumption that approval of the 1941 agreement was not possible in the near future and that, since it has been determined that power could be developed economically as an independent project in the International Rapids Section and since there was clear evidence that agencies in both Canada and the United States were anxious to develop power on such a basis, the Canadian government had, with Parliamentary approval, committed itself to build whatever additional works were required to allow uninterrupted 27-foot navigation between Lake Erie and the Port of Montreal provided arrangements could be completed to ensure development of power on the basis outlined in detail in the December 1951 Canada-Ontario Agreement on Power. It was the Canadian government's expectation that all the costs of the works and undertakings relating to power development, as set out in that Agreement and in the Annex thereto, would be borne equally by the power developing agencies in both countries.

An explanatory note was circulated.

(Memorandum, May 30, 1952, Chairman, Continuing Committee on the St. Lawrence Seaway and Power Project. Cab. Doc. 168-52)†

22. *The Secretary of State for External Affairs* thought it likely that the opponents of the project in the United States would argue before the Federal Power Commission and the International Joint Commission that the Canadian proposal would result in charging power with certain costs which should rightfully be allocated to navigation.

23. *The Prime Minister* agreed that U.S. opponents of the project would no doubt seize upon every opportunity to block the development of the deep waterway. The Canadian Government should nonetheless, at least for the time being, maintain its position and simply offer a clear explanation of the nature of the Canadian proposal as outlined in the draft letter submitted by the Minister of Transport.

24. *The Cabinet*, after discussion, agreed that the Canadian Ambassador at Washington be instructed to forward immediately to the Chairman of the U.S. Inter-Agency Committee on the St. Lawrence Project the explanatory message as submitted by the Minister of Transport.

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780. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa,] June 18, 1952

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ST. LAWRENCE DEVELOPMENT PROJECT; MODIFICATION IN FINANCIAL BASIS OF CANADIAN PROPOSAL

5. *The Prime Minister*, referring to discussion at the meeting of May 30th, reported that the U.S. Senate had, that day, effectively killed for the time being the 1941 Great Lakes-St. Lawrence Basin Agreement by voting 43 to 40 in favour of referring S.J. Resolution 27 back to the Foreign Relations

Committee for further study. He hoped this new evidence that early Congressional approval of the Agreement would not be possible would help to expedite filing with the International Joint Commission, the Canadian and U.S. applications for development of power in the International Rapids Section of the St. Lawrence River which was a necessary pre-requisite to the construction of the all-Canadian deep waterway.

During the latest meeting between members of the Canadian Interdepartmental Committee and the U.S. Inter-Agency Committee on the St. Lawrence, held in Washington on June 11th, it had been pointed out that the U.S. government might not find it possible to agree to filing with the Commission an application which involved charging to power the cost of all the features contained in the 1951 Canada-Ontario Power Agreement and the annex thereto. U.S. officials had stated categorically that neither the government nor the New York State power authorities would be able to reimburse the Canadian government for half the amount which would be saved because construction of the deep waterway by Canada made continuance of 14-foot navigation unnecessary. In addition, they suggested that, out of a total of approximately $75 million of dredging and excavation in the river bed, about $25 million was required exclusively for the purposes of the deep waterway and the whole of this sum should therefore be allocated to navigation rather than to power. It was further suggested that, since power experts disagreed as to the need for a control dam at Iroquois purely for power purposes, approximately half of the cost of this dam ($10.5 million) should also be allocated to navigation. It was finally suggested, but not pressed very strongly, that navigation might be charged with an additional amount of approximately $10 million representing alleged savings in constructing the waterway which would result from concurrent construction of navigation and power works.

Together with the Ministers of Trade and Commerce, Transport and Finance, he had, the previous day, discussed the details of the U.S. proposal with members of the Interdepartmental Committee. It had been felt that, since 14-foot navigation would not in actual fact be continued, it would be difficult to insist that New York reimburse Canada for half the amount which would otherwise have been expended in continuing present shallow-draft navigation. Furthermore, since Canadian engineers were of opinion that approximately $18 million of the channel excavations to be done in the International Rapids Section might not be required for power purposes alone, it might be indicated that Canada was prepared to contribute approximately $15 million to the cost of the dredging to be undertaken jointly by Ontario and New York in that section of the river. In view of the opinion expressed by our engineers that the control dam at Iroquois could not be considered an aid to navigation and that its essential purposes were to provide adequate protection for downstream power interests and to help control water levels in Lake Ontario, he did not think Canada should agree to allocation of any part of the cost to navigation. In so far as alleged savings resulting from concurrent construction of navigation and power works were concerned, these would, in all probability, be more than nullified by the speeding up of construction of navigation works in order not to interfere with early development of the full power potential at Barnhart Island. In the circumstances, no additional allocation of costs to navigation should be made on this score.

He pointed out that, under the terms of Article XII of the 1951 Canada-Ontario Agreement, the Province of Ontario could probably be required to reimburse Canada the total estimated cost of continuing 14-foot navigation. If, however, it was now agreed that New York should be relieved of reimbursing half of the savings, consideration should be given to whether or not the Province of Ontario should have similar treatment or whether there would be justification for attempting to collect from Ontario either the whole or half of the cost of continuing 14-foot navigation. No decision need be reached in this matter immediately.

If New York State and the Province of Ontario were treated in precisely the same manner, the net effect of the proposed modifications would be to reduce the cost of producing power in the International Rapids Section from an estimated $403 million to $374 million and to increase Canada's investment in the seaway from an estimated $245 million to approximately $274 million. To this last figure would have to be added another $1.5 million if Canada undertook the dredging yet remaining to be done on the U.S. side of the boundary in the Thousand Islands Section. It had already been indicated informally to Washington that if, for any reason, the United States could not do this work, Canada was prepared to undertake it. The addition of $30-odd million to the total estimated cost of the deep waterway would probably necessitate an increase of 8 or 9 percent in toll rates.

It had also been suggested that further discussions at the official level of the remaining differences between the Canadian and U.S. positions would serve no useful purpose and that the matter might now be taken up by the Prime Minister with President Truman. He thought the Canadian Embassy at Washington might ascertain whether the suggested further concessions would be acceptable to the U.S. administration and, in the event of an affirmative answer, it might not be necessary for him to see the President. There might nonetheless be advantage in having the Minister of Transport go to Washington in order to reach formal agreement with the Secretary of State of the United States as to the contents and time of filing of the joint applications to the International Joint Commission.

An explanatory note was circulated.

(Memorandum, Privy Council Office, June 18, 1952 — Cab. Doc. 190-52)†

6. *The Minister of Transport* thought the Province of Ontario might be willing to bear the whole cost of reimbursing Canada in lieu of continuance of 14-foot navigation if U.S. agreement could be secured to Ontario Hydro having exclusive use of the additional waters resulting from the Ogoki-Long Lac diversions.

7. *Mr. St. Laurent* believed it inadvisable to interject this question in to any discussions he might have with the President. However, it was not impossible that following submission of the applications to the International Joint

Commission, Ontario Hydro and the New York State power authorities might reach some agreement on this question.

8. *The Cabinet*, after discussion, noted the Prime Minister's report on United States suggestions for modifications in the financial basis of the Canadian government's commitment on construction of the St. Lawrence deep waterway and agreed that;

(a) it be indicated to Washington that Canada was prepared to agree that reimbursement in lieu of continuance of 14-foot navigation be excluded from the total costs to be allocated between the Canadian and U.S. power-developing ntities and that, in addition, the Canadian government was prepared to make a contribution of approximately $15 million to the costs of dredging to be undertaken in the International Rapids Section by the power-developing entities; and,

(b) the Prime Minister arrange an early interview with President Truman, if this were felt to be necessary, in order to reach agreement on the terms of the proposed joint applications to the International Joint Commission for the development of power in the International Rapids Section of the St. Lawrence River.

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781. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa,] June 25, 1952

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INTERNATIONAL JOINT COMMISSION; APPLICATION RE ST. LAWRENCE PROJECT. . .

1. *The Prime Minister*, referring to discussion at the meeting of June 19th[88] said information had been received from the Canadian Embassy at Washington that the latest Canadian proposal on the St. Lawrence seaway and power development appeared to have been accepted by all U.S. Federal agencies concerned. The Chairman of the New York State Power Authority was absent and it had not been possible as yet to clear with him. However, U.S. officials had arranged a meeting with him in New York City on June 26th.

It was possible that complete agreement on the terms of the joint applications to the International Joint Commission might be reached by Friday, June 27th, at which time it might be advisable for the Minister of Transport to proceed to Washington and meet formally with the Acting Secretary of State of the United States. The publicity attendant upon such a meeting might be advantageous both in Canada and the United States.

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[88] Voir le document 852./See Document 852.

3. The Cabinet, after discussion,

(a) noted the Prime Minister's report on recent developments on the St. Lawrence seaway and power project and agreed that, as soon as final arrangements could be made, possibly during the next few days, the Minister of Transport should proceed to Washington and meet with the Acting Secretary of State of the United States for the purpose of formally reaching final agreement on the terms of the joint applications to the International Joint Commission; and,

(b) agreed that the Canadian reference to the International Joint Commission on water levels in Lake Ontario be forwarded to the Commission immediately and that a public statement be made, as suggested by the Secretary of State for External Affairs, to the effect that the reference was made on the express condition that the joint applications on the St. Lawrence project, if and when submitted, would take priority over the reference in question.

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782. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa,] June 30, 1952

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ST. LAWRENCE PROJECT; APPLICATIONS TO INTERNATIONAL JOINT COMMISSION RE POWER DEVELOPMENT

1. *The Prime Minister*, referring to discussion at the meeting of June 25th reported that all U.S. Federal agencies concerned had now accepted the terms of the latest Canadian proposal on power development in the International Rapids Section of the St. Lawrence River and the extent of the Canadian government's undertaking regarding the 27-foot waterway. Although reluctant at first, the New York State Power Authority had accepted the proposal on Friday, June 27th. The following day, June 28th, President Truman had given his formal approval to the arrangement.

That morning he had signed, for the Secretary of State for External Affairs, the two originals of the Canadian application which had now been forwarded to the offices of the International Joint Commission in Ottawa. The two U.S. originals would be signed later that day by Mr. Bruce, the Acting Secretary of State of the United States, and forwarded to the Washington offices of the International Joint Commission.

The Minister of Transport, accompanied by Mr. R.A.C. Henry,[89] was now in Washington and would at 3:00 p.m., that day, meet formally with the Acting Secretary of State of the United States. At that time, the Canadian Ambassador at Washington and Mr. Bruce would formally exchange notes which outlined fully the terms of the agreement respecting development of power in the International Rapids Section and the extent of Canada's undertaking in respect of the deep waterway to be provided between Lake Erie and the Port of Montreal.

The following day he proposed to table in the House of Commons the text of the Canadian application and of the notes to be exchanged in Washington. He would also at that time make a brief statement outlining the more important developments in connection with the St. Lawrence project.

(Memorandum, Privy Council Office, June 30, 1952)†

2. *The Cabinet*, after discussion,

(a) noted the report by the Prime Minister on recent developments in the preparation of joint applications to the International Joint Commission for development of power in the International Rapids Section of the St. Lawrence River; and,

(b) agreed that the text of the applications and of the notes to be exchanged in Washington that day be tabled in the House of Commons by the Prime Minister the following day, and that he make a brief statement at that time outlining the more important developments in this connection.[90]

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783. DEA/1268-D-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis

Secretary of State for External Affairs
to Ambassador in United States

TELEGRAM EX-1054 Ottawa, July 8, 1952

SECRET

Reference: St. Lawrence Seaway.

Following for Wrong from Pickersgill, Begins:

1. As I told you in our conversation on Saturday, the Prime Minister feels we should take the earliest appropriate opportunity to let the United States Government know that we can no longer regard Canada as bound by the 1941

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[89] Ingénieur conseil, ministère du Transport, à propos du projet de la Voie maritime du Saint-Laurent.
Consulting Engineer, Department of Transport, in connection with St. Lawrence Seaway project.

[90] Voir Ministère des Affaires extérieures, communiqué de presse, nº 40, 30 juin 1952.
See Department of External Affairs, Press Release, No. 40, June 30, 1952.

Agreement once we proceed with detailed engineering work on the all-Canadian alternative and that we are anxious to get on with this work as soon as possible. In view of President Truman's eleventh hour appeal to the Congress, the Prime Minister recognizes that it would not be opportune to give this notice right away, but he is anxious to have you make our position clear as soon as you think it can be done without jeopardizing the whole project.

2. With respect to the application before the International Joint Commission, the Prime Minister approved the recommendation of the Interdepartmental Committee that, subject to your concurrence, the State Department should be advised that the Canadian Government envisaged having the application for approval of the power development presented by counsel representing the Government of Canada who might be assisted by counsel for the Government of Ontario if that Government so desired. Engineers would be available both from the Federal Government service and from the Ontario Hydro to explain the details of the project which would mean that, so far as Canada is concerned, the entity would appear quite openly though under the wing of the Canadian Government. It was felt that in informing the State Department you would ask them if they would let us know, as soon as convenient, whether the United States application would be presented along parallel lines or whether they had any suggestions for a different line of procedure.

3. Following the suggestion you made to me on Saturday, I have been in touch by telephone with the Chairman of the Canadian Section of the International Joint Commission. General McNaughton tells me that he has had an informal discussion with his American colleagues and that they seem to be prepared to hear the application and reach a decision regardless of whether the entity is named or not. He says that what is concerning them particularly is a desire to meet the wishes of the Administration and particularly the War Department by holding a hearing on the Lake Levels at Rochester, New York, as soon as possible. What General McNaughton has suggested informally, is that hearings should be started in Toronto both on the St. Lawrence power application and on the Lake Levels and that they should be followed quickly by a hearing in Rochester on the Lake Levels. He feels this concession to his American colleagues will be much appreciated and help to smooth the passage for the St. Lawrence application. This seems to be good sense. General McNaughton also approved of our suggestion of having counsel for the Government present the application. He plans to have further discussions with his American colleagues and to telephone me on Wednesday evening or Thursday and bring me up to date.

4. Meanwhile, I think it would be desirable to get the views of the Administration on our suggested mode of procedure before the International Joint Commission as we want to lose as little time as possble in appointing counsel, consulting the Ontario Government and getting the detailed case ready for presentation.

5. I have shown this telegram to Mr. Howe who is Acting Prime Minister, and it carries his approval. Ends.

784. DEA/1268-D-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-1813 Washington, July 10, 1952

ST. LAWRENCE PROJECT

Reference: Your telegram EX-1504 of the 8th of July.

Following for Pickersgill from Wrong, Begins: This afternoon at the State Department I saw Tate, the Acting Legal Advisor, and told him of the arrangements that the Canadian Government has in mind for presenting the Canadian application to the International Joint Commission, as outlined in paragraph 2 of your telegram. I said that we would be grateful to receive any comments the United States authorities would like to make, and also to hear how it is proposed to present the United States application. Although Tate was not in a position to give any firm indication of how the United States case will be presented, I gathered that their arrangements will probably be very similar to those contemplated in Ottawa. He said that, even if the President had not named the New York State Power Authority as the "entity" by the time hearings were begun before the International Joint Commission, it would still be possible for New York representatives to play an active part in the proceedings before the Commission, since, according to its established procedures, it can receive evidence from any comer who is able to throw light on the question in hand.

2. I think that our talk may have been helpful in hastening action by the President to nominate the New York State Power Authority. I stressed that the sooner this could be done the better, from the Canadian point of view. Not only would it facilitate the hearings before the International Joint Commission, but it would also make possible technical discussions between the Ontario Hydro and its counterpart in New York.

3. Early in the interview Tate said that he thought it would be some time before the President could name the New York State Power Authority as the "entity". But later, after having spoken over the telephone to the general counsel of the Federal Power Commission he was more optimistic. He assured me that the President has no objection to naming the "entity" now, apart from the technical one that such action might delay early consideration and approval by the Federal Power Commission of New York's application. The Third Circuit Court in Philadelphia, as you know, has now before it an appeal from the adverse decision of the Federal Power Commission on the application made in 1948 by the New York State Power Authority. Tate confirmed that the present intention is to try to have the application remanded from the Third Circuit Court to the Federal Power Commission. For that to be done, the initiative would have to be taken by the New York State Power Authority acting after agreement had been reached with the Federal Power Commission.

The counsel of the Federal Power Commission said that talks were going forward with the New York State Power Authority to determine how this manoeuvre could best be carried out. Tate has undertaken to confer with the Power Commission's counsel next week to insure that the State Department and the Federal Power Commission are thinking along parallel lines and that everything possible is being done to speed up consideration by the Power Commission of the New York application and nomination by the President of the New York State Power Authority as the "entity".

4. I gave Tate the information about the plans for hearings by the I.J.C. which you had secured from General McNaughton. When you receive further information, I should like to pass it to him, as this is probably the quickest way of having the State Department informed of the I.J.C.'s intentions. If the hearings can be started soon, the need for preparation for them should be an effective spur to activity here. On our side, I think it in order now to appoint counsel, consult with Ontario and get the detailed case ready. Ends.

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785. DEA/1268-D-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-1915 Washington, July 23, 1952

CONFIDENTIAL

ST. LAWRENCE PROJECT

Reference: Our telegram WA-1813 of the 10th of July.

We learned yesterday that the State Department fully expect that the 1948 application of the New York State Power Authority will be back before the Federal Power Commission by the 1st of August. A draft request by the New York State Power Authority to the Third Circuit Court in Philadelphia to remand the 1948 application for reconsideration has now been sent to the FPC; and it is expected that within a few days the Commission will formally express its willingness to reconsider the application in the light of altered circumstances. The Third Circuit Court will then remand the application automatically, we were told.

2. The State Department now estimate that the Federal Power Commission will require approximately 4 or 4½ months to reconsider and act on the 1948 application from the New York State Power Authority. In other words, if the application is remanded to the Commission by the 1st of August, as is now expected, an order of approval might be handed down about the end of November or the middle of December. The procedure before the Commission comprises the following steps:

(a) a period of 30 days' notice must elapse before hearings are held on any application;

(b) the main hearings might last for two or three weeks;

(c) an examiner is then appointed who scrutinizes all the evidence and brings in a finding on the application. This step might take perhaps a month to complete;

(d) a period of 20 days' notice must then elapse to allow any briefs opposing the examiner's findings to be filed;

(e) finally, the Commission holds final hearings and issues its order.

786. DEA/1268-D-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis

Secretary of State for External Affairs
to Ambassador in United States

[TELEGRAM EX-1622?] Ottawa, July 25, 1952

CONFIDENTIAL

ST. LAWRENCE PROJECT

Reference: Your telegram WA-1915 of July 23, 1952.

Following for Wrong from Pickersgill, Begins:

1. This will confirm message given to LePan by telephone today.

2. I passed on to the Minister of Transport, who is in Cornwall today attending hearings of the International Joint Commission, the contents of your message under reference. His first reaction was to wonder whether the State Department consider the procedure outlined in this telegram as the equivalent of actually naming the U.S. power-developing entity. Mr. LePan has now informed us that his understanding is that the resubmission of New York's 1948 application to the Federal Power Commission is not considered by the State Department to be in any sense the equivalent of a formal naming of an entity.

3. Nonetheless, Mr. Chevrier thinks it would be advisable if you could endeavour to ascertain when and how the U.S. Administration is to give formal notification to the International Joint Commission as to the identity of the U.S. power-developing agency. In this connection Mr. Chevrier said that he had been told informally by the Canadian members of the International Joint Commission that the Commission would doubtless find it impossible to hand down a final decision until both entities are formally named. Furthermore, it is felt that the Commission's work would be both facilitated and expedited if the naming of the entity could take place at an early date.

4. You will also be interested to know that during the course of a conversation he had with Mr. Chevrier in Cornwall, Mr. Danielian agreed that we should do everything we can to get an early and favourable decision from the International Joint Commission on the power aspect of the St. Lawrence project but suggested that Canada should not press too urgently with the deep

waterway as he, Danielian,[91] was hopeful that U.S. cooperation could still be obtained on this latter score. Mr. Chevrier pointed out to Danielian that with every day that passed it was becoming more and more difficult to contemplate reverting to joint development of the seaway, not only because of the ever increasing commitments in money and personnel being made by the Canadian Government on the all-Canadian scheme but also because Canadian public opinion generally favoured, in some cases enthusiastically, the all-Canadian project and might view with disfavor any switch at this time to a joint development. Mr. Chevrier consequently urged Danielian not to do anyting to jeopardize the all-Canadian scheme which at this juncture still appeared as the only project which was likely to succeed.

5. As you probably have seen from press reports the series of three hearings held in Toronto, Ogdensburg and Cornwall were fairly uneventful and remarkable only by the almost complete lack of representations opposing the scheme. Ends.

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787. DEA/1268-D-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-1963 Washington, July 29, 1952

CONFIDENTIAL. IMPORTANT.

ST. LAWRENCE PROJECT

Reference: Your telegram EX-1622 of 25th of July.

Following for Pickersgill from Lepan, Begins: This morning at the State Department I had an interview with Tate, the Acting Legal Adviser, to discuss the points raised by Mr. Chevrier as a result of our telegram WA-1915 of the 23rd of July. Tate confirmed that the resubmission of New York's 1948 application to the Federal Power Commission is not to be regarded in any sense as the equivalent of a formal naming of the entity.

2. When I told Tate of the views that had been expressed to Mr. Chevrier by members of the Canadian Section of the International Joint Commission, he said that all the United States authorities fully realized the importance of taking the wraps off the New York power authority, so that the International Joint Commission could get on rapidly with its task of considering the St. Lawrence application. However, he did not see how the President could formally nominate the New York power authority as the entity until the Federal Power Commission had handed down a new ruling on the 1948 application; and, as you know, this is not expected to take place until about the

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[91] N.R. Danielian, vice-président exécutif de l'Association des Grands Lacs et du Saint-Laurent.
N.R. Danielian, Executive Vice President, Great Lakes-St. Lawrence Association.

1st of December. The reason is that given in paragraph 1(d) of our telegram WA-1769 of the 4th of July.† The Federal Power Commission is a quasijudicial body, whose formal findings even the President may not prejudge.

3. However, Tate went on to say that he had been in touch with Bell of the White House staff and with Kunen of the Federal Power Commission to consider how this difficulty might be circumvented. They had agreed that there was no reason why the New York power authority should not apply almost at once to be heard by the International Joint Commission as an interested party and as the prospective entity. This step could be taken as soon as the 1948 application had been remanded to the Federal Power Commission. Tate expected that the 1948 application would be resubmitted to the FPC by about the 1st of August. A few days afterwards, the flimsy concealment now draping the New York power authority would be removed and it would appear as the prospective entity. Tate thought this procedure should enable the International Joint Commission to go forward with its work realistically and expeditiously.

4. He admitted, however, that a difficulty would still remain about the timing of the IJC's formal recommendation. It would be difficult, and perhaps impossible, he agreed, for the IJC to make a formal recommendation until the entity had been formally named. This would mean that the IJC's recommendation could not be made until immediately after the Federal Power Commission had issued its order. But, according to present plans, he did not think this should involve any delay. Ends.

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788. DEA/1268-D-40

Compte rendu d'un entretien
Memorandum of Interview

[Ottawa,] August 1, 1952

MEMORANDUM OF INTERVIEW WITH DR. N.R. DANIELIAN, EXECUTIVE VICE-PRESIDENT OF THE GREAT LAKES-ST. LAWRENCE ASSOCIATION

Dr. Danielian discussed with me the situation regarding the St. Lawrence Power and Seaway development, emphasizing that he and his organization now supported a Canadian Seaway and would do what they could to assist the progress of the hearings now before the International Joint Commission. At the same time, he mentioned that the supporters of the international Seaway were still anxious that the Seaway should be built as a joint project and felt that a good deal of progress had been made in the last Congress to that end. Therefore, he added, if there were long delays in the hearings before the International Joint Commission, he and his people felt that it would be desirable to plan for alternative action on an international basis. He thought that there was a better chance now than previously to get congressional approval for such action; they had just missed out this year.

I told Danielian that we had always preferred joint action and had done everything we could in Canada to bring it about. However, we had now decided that Congress had made such action impossible and we were now determined to go ahead on our own as that was the only way. If there were delays before the International Joint Commission and if the situation was such that the project could still become an international one, in principle we would still support that. However, we would resent the creation of delays and difficulties before the Joint Commission for the purpose of another attempt to get congressional approval for an international waterway. Danielian professed to understand our position and emphasized that he was all for the Canadian Seaway, but was concerned only to take the necessary further preparatory measures for alternative action in case the Canadian scheme was unduly delayed. Dr. Danielian, who is a smooth and smart "operator" may, I suspect, cherish a lingering hope that the preparatory action required may in its turn have some delaying affect on the Canadian application before the I.J.C., though I should add he emphatically denied any such intention.

He pointed out that there were three interests that would do what they could to confuse and delay the issue before the I.J.C., though they might have to work behind the scenes, namely: the federal power interests, the private power interests, and those who were opposed to any kind of Seaway. He also said that there were two individuals who might find it desirable to hold up the present application:

1. Senator Lehman, if he considered that the public vs. private power aspect of the question would be a good election issue against Dewey in New York State; and

2. The next President of the United States, who might, during the campaign, have to make certain political commitments which would require interference with the International Joint Commission process.

Mr. Danielian told me that he appeared before the Democratic Platform Committee in Chicago and tried to get an endorsation of the St. Lawrence Waterway in simple, frank terms written into the platform. He received support, but not enough, as the railway and coal interests who were present were able to prevent anything but an ambiguous and somewhat meaningless reference.

Dr. Danielian is meeting his board in Cleveland in a couple of weeks and while he assured me that he and his board would maintain their position of favouring the Canadian Seaway, they might also find it desirable to discuss confidentially measures which should be taken in case the I.J.C. reference is delayed or confused.

I was not too happy over my talk with the gentleman in question because I got the uneasy feeling that he was confident that the present hearing before the Joint Commission would go on and on and on, and that this delay would give the American supporters of the international scheme another opportunity.

L.B. P[EARSON]

789. DEA/1268-D-40

Note du sous-secrétaire d'État aux Affaires extérieures pour le secrétaire d'État aux Affaires extérieures

Memorandum from Under-Secretary of State for External Affairs to Secretary of State for External Affairs

CONFIDENTIAL [Ottawa,] August 27, 1952

ST. LAWRENCE PROJECT; RECENT DEVELOPMENTS

Mr. N.R. Danielian telephoned to Mr. Cox[92] last week to give an account of what had transpired at the meeting of the Great Lakes-St. Lawrence Association in Cleveland on August 14. You will recall that Mr. Danielian discussed this with you immediately before the Cleveland meeting. Danielian telephoned from the Brockville home of George Fulford, M.P., who seemed to be with Danielian at the time.

Danielian said that the Association had decided, as a result of his reports on his conversations in Ottawa, to support action relating to the plan for a Canadian seaway but that they also planned to be prepared to support Congressional action next year if present arrangements do not result in "definitive action" by January 1. He said, however, that he was worried by the fact that we had created the impression in Canada that there was clear sailing ahead and that success would be assured in obtaining the approval of the International Joint Commission and of the Federal Power Commission. Danielian said that he believes there is only a slim chance that New York will obtain a licence from the F.P.C. and the political results in Canada of failure would be unfortunate for harmonious relations between the two countries. He also reported that a new lobby had been organized, known as the "Electric Consumers Information Committee", which had decided to oppose New York's application to the F.P.C. This committee was organized by Leland Olds, now associated with the Connecticut Valley Association, and a recent meeting in Washington at which the decision to oppose New York was made, was attended by many organizations including the National Rural Electrification Association, the National Farmers Union, the United Automobile Workers (CIO), Labor's League for Political Education (AF of L), many "Co-operative" organizations and two representatives from the Department of the Interior. (One of these, Ralph Sucher, has long been identified as an opponent within the administration of our present plans.) This is a group with little in common with the railroad and port interests but a powerful ally in their fight against New York in the F.P.C. Moreover, the port and other Great Lakes interests above Toledo are reluctant to show any interest in the Canadian plan as they feel that the seaway will terminate, for many years, at the entrance to the Detroit River.

Danielian suggested that, if we are really pinning all our hopes on our present plans we should do two things: First, request the State Department to intervene with the F.P.C. with a definite statement on our behalf that this is the only way in which Canada would cooperate in proceeding with the project.[93] (We could obviously do this only if the New York State Power Authority had been named as the U.S. "entity".) Secondly, we should make our views known immediately to both candidates. (He suggested that Stevenson could be approached through David Bell, who has left the White House and is now working for Stevenson in Springfield. Bell, as you know, is thoroughly conversant with the province. Danielian thought that Eisenhower could be approached through Arthur Vandenberg, Arthur Summerfield or Henry Ford, with each of whom his organization has some direct contact.)[94] This would have to be done very cautiously, of course, and Danielian thinks it would have to be done immediately so that no definite commitments would be made by either candidate before the campaigns really get under way in September. Although this is the sort of activity we have always refrained from engaging in, Mr. Wrong has made the same suggestion independently.

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[92] G.E. Cox, Direction de l'Amérique./G.E. Cox, American Division.

With regard to the second suggestion, Danielian points out that all members of the F.P.C. must be reappointed by the new President (their terms of office are five years) and that the most recent appointee, Doty, is a "Chapman man" and therefore opposed to the New York application. He suggests, therefore, that the commissioners will wait until the new President is chosen and has given them some indication of his wishes before making a decision. With regard to the first suggestion, we have again sounded out the counsel representing the United States Government on the I.J.C. on the question of naming the United States "entity". You will recall that in your meeting with President Truman, the undertaking was to name the entity "in due course". The United States officials now take the position that it would be improper for the President to name the entity before the F.P.C. has decided the New York case. Apart from the legality of such action, it might be argued, both before the Commission and in the courts, that it prejudged the Commission's decision and further delay would result.

The United States lawyers connected with the project, who were in Ottawa this week, told us that Senator Green intends to introduce a measure endorsing the 1941 Agreement early next January. They also indicated that the F.P.C. would hold new hearings on the New York application, that they would allow all comers to intervene and that the hearings would *commence* in October. They have no exact ideas on the timetable other than this, but it is evident that the time in which Mr. Truman would be able to act in naming the United States entity is extremely limited unless he acts before the F.P.C. reaches its decision. Moreover, some of the Canadian officials present got the impression that the current arrangements for proceeding with the project with the Canadian waterway were merely "window-dressing" or "steaming up" for a new attempt to secure approval of the 1941 Agreement at the next session of Congress.

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[93] **Note marginale :/Marginal note:**
OK.

[94] **Note marginale :/Marginal note:**
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In a recent letter from Mr. Chevrier, and in a memorandum on it, it was suggested that we should now urge the United States Administration to designate the entity to develop power in New York State. In view of the foregoing, you may wish to consider whether we should also ask the State Department to put before the F.P.C. the factors in Canada — such as the urgent need for power, etc. — which would lead us to support the application of the New York State Power Authority to the Commission for a licence. This could only be done, of course, if the U.S. Administration designates the New York State Power Authority as the United States entity. You may also wish to discuss with Mr. Chevrier whether an approach could be made to the presidential candidates with a more positive statement of our position (including, perhaps, a statement of intention to withdraw from the 1941 Agreement).

It is evident that, whatever transpires during the remainder of this year, new legislation will be introduced in the 83rd Congress to endorse the 1941 Agreement unless it has been denounced. It would appear to be desirable, if you concur, to discuss the draft legislation informally with Danielian.[95] (He will undoubtedly, as heretofore, draft the endorsing legislation.) Danielian himself has made this suggestion in an effort to avoid difficulties which might result from the passage of legislation which would be unacceptable to Canada.[96]

L.D. W[ILGRESS]

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790. PCO

Extrait des conclusions du Cabinet
Extract from Cabinet Conclusions

TOP SECRET [Ottawa,] August 27, 1952

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ST. LAWRENCE DEVELOPMENT PROJECT; APPLICATION TO INTERNATIONAL JOINT COMMISSION

18. *The Secretary* submitted a progress report on recent developments respecting hearings held by the International Joint Commission on Canada's application for the development of power in the International Rapids Section of the St. Lawrence River.

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[95] Note marginale :/Marginal note:
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[96] Notre copie du document porte la mention manuscrite suivante :
The following was written on this copy of the document:
These developments are very disturbing. I think that Mr. Wrong should make a high level & formal approach to the State Dept. as indicated above but I would not approach the presidential candidate at least at this stage. L.B. P[earson]

The counsel for Canada at the hearings, Mr. Mundell[97] had sought direction on certain problems that had arisen.

It appeared that removal of the Gut Dam, although not relevant to the power application, had now become a very important matter in the eyes of the United States section of the Commission. United States counsel had suggested that it would greatly facilitate Canada's application and probably dispose completely of the Gut Dam issue if it could be stated on behalf of the Canadian government at forthcoming hearings to be held at Albany, N.Y., that Canada would be prepared to accept, as a condition of the order of approval, that the Gut Dam be removed as early as adequate engineering precautions would allow. Canadian engineers were now studying the matter to determine whether it could be removed without prejudicing navigation, power and other interests above and below the dam and without necessitating any fundamental changes in the power development plans as presently drawn. In the event the engineering reports on this matter were favourable and in view of Canada's approval in principle of early removal of the Dam it was recommended that counsel for Canada be authorized to make a statement, whenever it appeared to be desirable, to the effect that the Canadian government would not object to inclusion in the International Joint Commission's order of approval of a condition requiring removal of the Gut Dam provided engineering studies revealed that such removal could take place without prejudice to navigation, power and other interests above and below the Dam.

A decision would also be required as to whether or not Ontario's claim for exclusive use for power purposes of the Ogoki and Long Lac diversion waters should be raised in conjunction with the request to be placed before the International Joint commission by Canada and the United States for allocation of costs between the power developing agencies under Section 11 of the joint applications. There seemed to be little likelihood of the United States agreeing to exclusive use by Ontario of these waters, but, in the improbable event that such a concession were made it was quite clear that a *sine qua non* condition would be that Ontario would bear a proportionately greater share of the total cost of the works. The situation was rendered more difficult by the fact that, under the terms of the Boundary Waters Treaty, the International Joint Commission had no alternative but to allocate waters equally between the two countries. For this and other reasons therefore it was thought that the Ogoki and Long Lac problem should not be interjected into International Joint Commission discussions. However, with a view to keeping Ontario's claim open, an effort might usefully be made to have the International Joint Commission's order allocating costs equally between Ontario and New York, qualified by a reference to the possibility of such allocation being altered in the future by a collateral agreement between the Canadian and United States governments. This course of action was recommended as the most practical and certainly the least likely to delay further consideration of the joint applications.

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[97] **D.W. Mundell, avocat-conseil, ministère de la Justice.**
D.W. Mundell, Senior Counsel, Department of Justice.

(Secretary's memorandum Aug. 2, 1952 — Cab. Doc. 266-52)†

19. *Mr. Chevrier* also referred to a letter which the Premier of Quebec had addressed to the Commission in which Mr. Duplessis seriously questioned the constitutional jurisdiction of the Commission to deal with the St. Lawrence application.

(Letter, Premier of Quebec to Secretary, I.J.C. Aug. 15, 1952)†

20. *The Prime Minister* said he had been given to understand that Mr. Duplessis had not intended to place any difficulties in the way of the St. Lawrence Project but merely wished to have counsel for the Province appear before the Commission and state that the Province of Quebec would insist on prior consultation with that province in any project or development which would have an effect within the boundaries of Quebec.

21. *The Secretary of State for External Affairs* stated he agreed with representations made to him a few days previously by the Minister of Transport that renewed efforts might usefully be made at this time, on a high level, to obtain from the United States administration the naming of the power developing entity in the United States without delay. Early naming of the United States entity was of importance in view of the stand which it was understood had been taken both by the United States and Canadian members of the International Joint Commission that the Commission could not properly hand down an order of approval on the application until the identity and credentials of the power developing agencies in both countries had been established formally.

He might be proceeding to Washington shortly on other business and if this was thought advisable he could, at that time, see the Secretary of State and impress upon him the importance the Canadian government attached to the early naming of the United States entity. If, for any reason, he were unable to see Mr. Acheson, the Canadian Ambassador at Washington could be directed to take the matter up with the Secretary of State.

22. *The Cabinet*, after further discussion:

(a) agreed that counsel for Canada at hearings of the International Joint Commission on the Joint Canada-United States applications for power development in the International Rapids Section of the St. Lawrence be authorized,

(i) to state that the Canadian government was prepared to agree that a condition be attached to the order of approval of the International Joint Commission to the effect that the Gut Dam be removed at an early date provided current engineering studies established that such removal could take place without prejudice to navigation, power and other interests above and below the Dam; and,

(ii) to agree to an equal allocation of costs without any mention of Ontario's claim to exclusive use of the Ogoki-Long Lac diversion waters; it being understood that an effort would be made to have included in the final order of approval a qualification expressly referring to the possibility of such allocation of costs being varied in the future by agreement between the Canadian and United States governments;

(b) agreed that the Secretary of State for External Affairs attempt to obtain from the Secretary of State of the United States an undertaking that the United States power developing entity would be named in the near future in order that the International Joint Commission might act without delay on the joint applications of June 30th; it being understood that if Mr. Pearson were unable to see Mr. Acheson, the Canadian Ambassador at Washington would raise the matter with the United States authorities.

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791. DEA/1268-D-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis

Secretary of State for External Affairs
to Ambassador in United States

TELEGRAM EX-1792 Ottawa, September 4, 1952

SECRET. IMMEDIATE.

ST. LAWRENCE PROJECT

Reference: WA-2169 of September 3, 1952.†

. . .

2. As you may have already learned from the Minister, Cabinet recently decided that Mr. Pearson would attempt to obtain from Mr. Acheson an undertaking that the U.S. "entity" would be named in the near future in order that the International Joint Commission may issue an Order of Approval with propriety and without delay. If Mr. Pearson is unable to see the Secretary of State during his present visit, it was decided that you should take this matter up on a high level as soon as possible. As you will see in the papers being sent to you by bag, the United States officials indicated that the propriety of naming the U.S. "entity", before the Federal Power Commision has reached a decision on the New York Application, might be questioned and that legal arguments on this point, either before the Commission or in the Courts, might cause further delay. However, the designation of the U.S. "entity" might be made conditional upon the "entity" being duly licenced in accordance with U.S. law. Further, the position of the I.J.C. in continuing hearings on such a large project with one quantity still technically unknown, is difficult. In any case, the "entity" has been pretty widely recognized, particularly with the appearance of its officers before the I.J.C. in Albany yesterday.

3. The Minister also considers that it would be desirable to ask the State Department to inform the F.P.C. that the arrangement envisaged in the applications of the two Governments to the I.J.C. and in the exchange of notes of June 30, is the only one in which Canada would cooperate in proceeding with the project. (This statement might include a reference to the urgent need

for power in Ontario and to the joint statement of Principles of Economic Cooperation of 1950.) As anything that may be said in this respect might be construed as a withdrawal from the 1951 agreement (whereas Mr. Pearson probably meant only that the arrangement mentioned above was the only one in which Canada would cooperate on the basis of the project *as now planned with the waterway in Canada*), it would seem advisable to discuss this matter with the Minister before approaching the State Department.

4. You will be interested to know that the U.S. Ambassador, Mr. Woodward, discussed the St. Lawrence Project with President Truman in Washington last week and in reply to a question the President informed Mr. Woodward that he saw no reason why there should be any undue delay in the issuing of a licence by the F.P.C. to the New York State Power Authority, and that he himself hoped that the licence would soon be granted.

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792. L.B.P./Vol. 52

Note de l'ambassadeur aux États-Unis

Memorandum by Ambassador in United States

CONFIDENTIAL [Washington, September 5]

ST. LAWRENCE PROJECT

After dinner at the Canadian Embassy last night Mr. Pearson had a brief discussion with Mr. Acheson on this subject. This was limited to the question of the early naming by the United States of the entity which would construct and operate the United States share of the works necessary for power. Mr. Pearson suggested that the proceedings before the International Joint Commission would be facilitated by the prompt naming of the entity and that members of the Commission were anxious that this should be done, as they were reluctant to reach a decision on the applications of the two governments without knowing what agencies in the two countries would construct and operate the works.

Mr. Acheson answered that the Administration was limited by the terms of the opening sentence of paragraph 12 of the U.S. application to the I.J.C. This sentence reads as follows: "The entity or entities in the United States which will construct and will operate the United States part of the project will be such entity or entities as may be authorized by the Congress, or licensed by the Federal Power Commission under the Federal Power Act." This meant in his view that the New York Power Authority could not be designated formally as the United States entity until the Federal Power Commission had approved its application for a licence (or alternatively until Congress had passed a measure designating it). He went on to say that the failure to name New York as the U.S. entity need not, in his view, affect the completion of the proceedings before the I.J.C., since representatives of the State of New York were appearing before the I.J.C. and it was evident that the New York Power

Authority would be formally designated as soon as the Federal Power Commission had approved its application for a licence.

H.H. W[RONG]

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793. DEA/1268-D-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-2189 Washington, September 5, 1952

SECRET

ST. LAWRENCE PROJECT

Reference: Your WA-1792 of September 4th.

1. There follows a brief report of the discussions on the St. Lawrence Project which took place during your visit here yesterday and today.

2. After dinner at the Embassy last night there was a brief discussion with Mr. Acheson on the question of the early naming of the United States entity to construct and operate the United States share of the works. I had let Mr. Acheson know before your arrival that you wished to take this matter up with him, and he was ready with his reply. He said that the administration was governed by paragraph 12 of their application to the International Joint Commission, the opening sentence of which reads as follows: "The entity or entities in the United States which will construct and will operate the United States part of the project will be such entity or entities as may be authorized by the Congress, or licensed by the Federal Power Commission under the Federal Power Act." This meant that the New York Power authority could not be formally designated as the United States entity until the Federal Power Commission had approved its application for a licence. He went on to say that the failure to designate the power authority soon as the United States entity need not, in his view, affect the completion of the proceedings before the I.J.C., since New York representatives were appearing before the I.J.C. and it was evident that the power authority would be formally designated whenever the F.P.C. approved its application.

3. There was a further discussion of this matter and related issues at lunch today at the Embassy with Messrs. Fisher and Tate, legal adviser and assistant legal adviser of the State Department. It was suggested to them that it might be possible to designate the power authority as the entity subject to the approval by the F.P.C. of the issue of a licence to it. Fisher thought that this would cause a lot of trouble and would increase the difficulties in the F.P.C. proceedings, as the objectiion might well be made that the conditional designation of New York by the administration was a trespass on the functions vested by law in the F.P.C. and therefore in effect prejudged the issues before it.

4. We then discussed the course of the proceedings before the F.P.C. Fisher said that New York had not yet submitted its amendments to the original application of 1948, which had now been remitted to the F.P.C. by the District Court of Appeals. He thought it probable that under the rules an interval of thirty days would be required after the receipt of the amended application. In his view it was not unlikely that the F.P.C. would take its decision before Christmas, although it was impossible to forecast the course of the proceedings. The State Department would do what it could with propriety to prod the F.P.C. so as to prevent any unnecessary delays. It was apparent, however, on current prospects that the applications to the International Joint Commission were likely to be dealt with before the proceedings in the F.P.C. could be completed.

5. Fisher and Tate said that the administration was anxious that the proceedings in both commissions should be satisfactorily terminated before the new Congress meets. They understood our difficulties in reverting to the 1941 agreement, which they seemed to regard as defunct in fact although formally still in suspense. They did not appear to take seriously the prospects of any move in the new Congress to revive the joint project, and they showed little concern about the possibility that either candidate for the presidency might make commitments in the campaign which would be inconsistent with the project as now envisaged.

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794. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa,] October 3, 1952

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ST. LAWRENCE PROJECT; CANADIAN WITHDRAWAL FROM 1941 AGREEMENT

1. *The Prime Minister*, referring to discussion at the meeting of October 23rd,[99] reported that the International Joint Commission had on the previous Wednesday, October 29th, issued an Order of Approval in respect of the applications submitted by the governments of Canada and the United States on June 30th, 1952, for the development of power in the International Rapids Section of the St. Lawrence River. An application for the development of the U.S. share of the power was now before the U.S. Federal Power Commission. This was the last remaining step to be taken before actual construction could begin on both the seaway and power aspects of the project.

He had received, on October 21st, through the U.S. Ambassador to Canada, a personal message from President Truman regarding the possibility of allocating to navigation a greater share of the costs of the works described in the joint applications for power development in the International Rapids Section. He had replied to Mr. Woodward and later had written to him to the effect that the question of allocation of costs between power and navigation had been settled by the Exchange of Notes of June 30th, 1952.

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[99] Voir le document 858./See Document 858.

Mr. McWhorter, one of the members of the U.S. Section of the International Joint Commission had dissented from the Order of Approval signed by the three Canadian members and the other two American members. Although the reason for Mr. McWhorter's dissent was not set out in the Order, it was understood that it was on the grounds that too great a proportion of the overall costs involved in the St. Lawrence development had been allocated to power. The dissent was disturbing in that Mr. McWhorter, in addition to being a member of the International Joint Commission, was also the Chief Engineer of Power of the Federal Power Commission which was now considering the application of the New York State Power Authority.

2. *Mr. St. Laurent* recalled the agreement reached at the White House on April 22nd [14] during the course of a meeting between the Minister of Transport, the Secretary of State for External Affairs and President Truman. It was agreed at that time that joint applications for power development on the basis of the alternative Canadian proposal would be submitted to the International Joint Commission immediately but that, if Congress approved the 1941 Agreement while the applications were under consideration by the Commission, both governments would agree to withdraw the applications and revert to the 1941 Agreement. Now that I.J.C. approval had been secured without favourable action having in the meantime been taken by Congress, it was suggested that the U.S. government be informed that Canada considered the 1941 Agreement as having been completely superseded and, therefore, did not intend henceforward to take any steps towards ratification of that Agreement. In order to avoid the accusation of injecting a controversial issue into the current Presidential elections in the United States or of being influenced by a new Administration in that country, it was further suggested that a formal note declaring Canada's position in this matter be handed to the Secretary of State of the United States on November 4th, the day of the Presidential elections. As a matter of courtesy, he proposed to send a personal letter to Mr. Truman giving him advance notice of the course of action proposed.

A draft letter was submitted and read.

(Draft letter, Prime Minister to President Truman, Oct. 31, 1952)'

3. *Mr. St. Laurent* said he was particularly anxious that Mr. Truman should not feel that the Canadian government had misled him into believing that Canada would still be prepared to revert to joint development and then had withdrawn from the 1941 Agreement as soon as favourable action had been taken by the International Joint Commission. With this in mind, it was made perfectly clear in his letter to the President that it would be unrealistic to expect Canada to revert now to the actual terms of the 1941 Agreement and that a new agreement would have to be negotiated between the two countries before joint development could be considered.

4. *The Secretary* stated that he was informed that the Federal Power Commission was obliged by its governing statute to give preference to the most inexpensive form of power and the mere existence of the 1941 Agreement consequently prejudiced to a certain extent the chances of success of the current application by the New York State Power Authority. This was one of the arguments in support of early Canadian withdrawal from the 1941 Agreement.

5. *The Cabinet*, after considerable further discussion, approved, subject to certain changes suggested during the course of discussion, the draft letter proposed to be sent by the Prime Minister to the President of the United States informing the latter that Canada intended to send a formal note to the Secretary of State of the United States on November 4th informing the latter that the Canadian govenment now considered the 1941 Great Lakes-St. Lawrence Basin Development Agreement as having been completely superseded and therefore did not intend to take any action towards ratificaton of that Agreement; an Order-in-Council to be passed accordingly.

(Order-in-Council P.C. 4431, Nov. 3, 1952)'

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795. DEA/1268-D-40

Le greffier du Conseil privé
à l'ambassadeur des États-Unis

Clerk of the Privy Council
to Ambassador of United States

PERSONAL AND CONFIDENTIAL Ottawa, October 31, 1952

Dear Mr. Woodward:

The Prime Minister has asked me to transmit to you the enclosed personal and confidential letter for the President of the United States, about which he spoke to you on the telephone a few minutes ago. He asked me, at the same time, to send you a copy for your own files.

I should appreciate having a word with you on the telephone in the morning about this letter, if it is convenient.

Yours sincerely,
J.W. PICKERSGILL

[PIÈCE JOINTE/ENCLOSURE]

Le premier ministre au président des États-Unis

Prime Minister to President of United States

PERSONAL AND CONFIDENTIAL Ottawa, October 21, 1952

Dear Mr. President:

We are naturally delighted here in Canada that the International Joint Commission has approved the application made by our two Governments for the power development in the St. Lawrence River, and we will be deeply grateful for anything it is possible for you to do to facilitate or expedite the hearings before the Federal Power Commission, which is the last remaining obstacle to the commencement of this great power and navigation project, which means so much to both our countries. Your many friends in Canada would like to feel that the actual commencement of this historic undertaking would be associated with your term of office as President of the United States.

You will recall that, at the time you received my colleagues, Mr. Pearson and Mr. Chevrier, on the 14th of April last, when the two Governments agreed to submit applications to the International Joint Commission, it was also agreed that, if the Congress of the United States were to approve the joint project at any time while the application was under consideration by the International Joint Commission, both Governments would be ready to revert to the 1941 Agreement and withdraw the matter from the International Joint Commission.

Now that the International Joint Commission has approved the applications, and particularly as we have already taken certain preliminary steps with respect to the construction of the Seaway, my colleagues and I have concluded that it would no longer be practicable for the Canadian Government to revert to the actual terms of the 1941 Agreement which has never been ratified, and that the proper course for us to take is to inform your Secretary of State that the Canadian Government now regards that Agreement as having been completely superseded.

We feel there are two reasons for taking this course. One is that, so long as there appear to be two alternatives, it seems to us that the opponents of the St. Lawrence will endeavour to play one off against the other, and thereby thwart the development itself. The second consideration, which I feel sure you will fully understand, is that public opinion in Canada, and particularly in the Province of Ontario, has now become solidified in support of the plan which has been approved by the International Joint Commission.

In the circumstances, I do not believe it would be realistic to ask our Parliament to approve the actual terms of the 1941 Agreement, and any attempt to provide for a joint undertaking without a new agreement between our two countries would certainly be in the highest degree embarrassing to the present administration which, as you know, is going to have to face a general election in the relatively near future.

In these circumstances, we have felt here that the most appropriate time to advise the United States Government of our position would be November 4th, since, on that day, our action could not be used by anyone in any attempt to influence the course of the Presidential campaign, nor could it be interpreted as having, in any way, been influenced by the outcome of that campaign. Moreover, our action at this particular time seems a natural consequence of the decision of the International Joint Commission, and any delay in making our position clear might be open to misinterpretation.

I did not want to have formal action of this kind taken without advising you privately, as long as possible in advance, and the only reason this word was not sent to you earlier is that our decision as to timing, which was necessarily governed by the date of the decision of the International Joint Commission, has only just been made.

I should like, before concluding this letter, to say once more how deeply I have valued the close and understanding relationship we have had since I became Prime Minister of Canada, and to assure you again that I will not, and I know the Canadian people will not, forget the immense and courageous services you have rendered in these post-war years in strengthening the ramparts of freedom and reducing the awful prospect of a third world war.

With warmest personal regards and every good wish for the future.

Believe me, Mr. President,

Yours very sincerely,
[L.S. St. Laurent]

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796. DEA/1268-D-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

Telegram WA-2602 Washington, November 4, 1952

Confidential. Immediate.

ST. LAWRENCE PROJECT

Reference: Your messages EX-2120 and 2121 of November 3.†

Addressed External as WA-2602, repeated Candel New York as No. 5 for Mr. Pearson.

1. I have given Mr. Acheson the note stating that the Canadian Government regards the 1941 Agreement as having been superseded.[99] He told me that he had talked to the President yesterday, and that Mr. Truman took no objection at all to this course and told him that he would do his best to assist in having the steps completed which remain before construction can be begun. Mr. Acheson said that there had been some slight objection taken in the State Department (which I gathered he did not share) to our notification being made without prior discussion aiming at agreement if possible. He had mentioned this to the President, who considered the point unimportant.

2. The State Department plans to issue a brief statement at 8:00 p.m. this evening, of which he showed me the text. It announces the receipt of the Canadian note, mentions the International Joint Commission's order of

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[99] Ministère des Affaires extérieures, communiqué de presse, n° 70, 4 novembre 1952.
Department of External Affairs, Press Release, No. 70, November 4, 1952.

October 29, and concludes by endorsing the construction of the project in accordance with that order.

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797. PCO

Le président des États-Unis au premier ministre

President of United States to Prime Minister

Washington, November 7, 1952

Dear Mr. Prime Minister:

I appreciated most highly your good letter of October thirty-first and, after receiving it, I instructed the Secretary of State to confer with your Ambassador here and inform him that I am in agreement with your proposal.

I am sincerely happy that this great project will be carried to a successful consummation. One of my first votes in the Senate of the United States in 1935 was for the Saint Lawrence Seaway. One of my last messages to the Congress covered the Saint Lawrence Seaway project.

I am most happy that there is now a prospect of its being built and completed by your Government.

Sincerely yours,

HARRY S TRUMAN

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798. PCO

Le premier ministre au président des États-Unis

Prime Minister to President of United States

PERSONAL AND CONFIDENTIAL Ottawa, November 20, 1952

Dear Mr. President:

I was delighted to receive your letter of November 7 in reply to mine of October 31 with reference to the St. Lawrence project.

I was particularly pleased at your ready appreciation of the circumstances which made it seem advisable for our Government to take the action forecast in my letter, and all my colleagues in the Canadian Government share my gratitude for the active cooperation you have extended to us at every stage in our joint efforts to ensure that, at long last, a start may be made on actual construction of this great seaway and power project which, I know, you have as much at heart in the interests of your country as we have here in the interests of Canada.

With kindest personal regards,

Yours sincerely,

L.S. ST. LAURENT

799. DEA/1268-D-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-2703 Washington, November 20, 1952

UNCLASSIFIED

ST. LAWRENCE SEAWAY

We have received the following note from the Secretary of State dated November 19, Begins:

"Excellency:

I have the honor to acknowledge the receipt of Your Excellency's note No. 792 dated November 4, 1952, regarding the project for the development of power in the International Rapids section of the St. Lawrence River, which has now been approved by the International Joint Commission in its order dated October 29, 1952, in accordance with the applications submitted on June 30, 1952, to the Commission by the Governments of Canada and the United States.

"It is noted that the Canadian Government considers that as a result of the recent developments with respect to this project, the agreement of March 19, 1941, between the two Governments relating to the Great Lakes-St. Lawrence waterway project has been superseded and it does not intend to take any action to have that agreement ratified.

"Your expression of gratitude for the cooperation which has been received from this Government in preparing for the construction of the St. Lawrence project is greatly appreciated.

"Accept, Excellency, the renewed assurances of my highest consideration.

For the Secretary of State:
Adrian S. Fisher"

Ends.

800. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa,] November 24, 1952

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ST. LAWRENCE POWER PROJECT; HEARINGS BEFORE THE U.S. FEDERAL POWER COMMISSION

5. *The Prime Minister* suggested that it was desirable to appoint a Canadian counsel to act in respect to the hearings of the U.S. Federal Power Commission on the St. Lawrence project. Mr. Mundell was counsel for the government in the hearings before the International Joint commission and it seemed appropriate to have him named for this purpose as well.

(External Affairs memorandum, Nov. 24, 1952, and attachments)†

6. *The Cabinet* agreed that Mr. D.W. Mundell, Senior Counsel of the Department of Justice, act as counsel for Canada in respect of matters arising out of the St. Lawrence development project including the forthcoming hearings of the Federal Power Commission on the application of the New York State power authority for the development of power in the International Rapids section of the St. Lawrence River.

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801. DEA/1268-D-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-2752 Washington, November 28, 1952

UNCLASSIFIED

ST. LAWRENCE PROJECT, FPC HEARINGS

Our petition to intervene in the Federal Power Commission hearings has just been filed.

802. DEA/1268-D-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-2757 Washington, November 29, 1952

UNCLASSIFIED

ST. LAWRENCE SEAWAY; F.P.C. PROCEEDINGS

Reference: WA-2752 of November 28.

The following is the text of the Canadian Government's petition to intervene which was filed with the Federal Power Commission Friday afternoon:

United States of America
Federal Power Commission

In the matter of
Power Authority of the State of New York Project No. 2000

Petition to Intervene
of the Government of Canada

The Government of Canada, through its duly accredited representative to the United States, hereby petitions the Commission for leave to intervene in the above-entitled proceeding for the purpose of supporting, for reasons set out below, the application of the Power Authority of the State of New York for a license for a hydro-electric power project in the International Rapids section of the St. Lawrence River. Pursuant to Section 1.8 of the Commission's Rules and Regulations, the petitioner sets forth following facts showing that the petitioner has an interest which may be directly affected in the proceeding, which is inadequately represented by existing parties and as to which the petitioner may be bound by the Commission's action in the proceeding and also that the petitioner's participation in the proceeding will serve to further the public interest of the United States.

1. Canada has a direct and vital interest in approval by the Federal Power Commission of the project of the Power Authority of the State of New York for the following reasons: The immediate development of the power potential of the International Rapids section of the St. Lawrence River is of vital concern to Canada. The location of the international boundary along the St. Lawrence River makes it impossible for Canada to proceed alone with the necessary construction. The project must, in view of the geographical facts of the situation, be a joint bi-national venture. Canada is ready to proceed immediately with its part of the project. It cannot do so, however, until the appropriate United States entity is named to proceed with the joint construction project. There appears to be no entity other than the Power Authority of the State of New York, which is prepared to go ahead at once with construction of the United States half of the project. Therefore, the licensing of such project is a

necessary step to enable Canada to proceed immediately with the development of the hydro-electric power potential of the International Rapids section of the St. Lawrence River.

2. The inherently bi-national character of the project and the urgency of undertaking immediate construction are emphasized by the actions already taken by the two national governments. The project contemplated by the Power Authority of the State of New York is an integral part of the plan for the development of the hydro-electric power potential of the St. Lawrence River which was submitted by Canada and the United States to the International Joint Commission on June 30, 1952. The International Joint Commission, which is a permanent body consisting of representatives of the Canadian and United States Governments and which was established pursuant to the provisions of the Boundary Waters Treaty of 1909, approved the plan on October 29, 1952. The plan calls for construction of the necessary works by entities to be designated by the two countries. Construction will be under the supervision of the Bi-National Joint Board of Engineers. Upon completion of the project, control over the discharge of water from Lake Ontario and the flow of water through the International Rapids section of the St. Lawrence River will be exercised by the International Joint Commission, acting through the Joint Board of Control.

The Government of Canada has designated the Hydro-Electric Power Commission of Ontario as the Canadian power-producing entity. That body stands ready to undertake immediate construction of the Canadian half of the project as soon as the Power Authority of the State of New York is licensed by the Federal Power Commission.

3. Construction of the Canadian half of the St. Lawrence Power project is in the direct interest of the United States. Such construction will avert a power shortage in eastern Canada. Such a shortage would inevitably affect the continuing supply to the United States of critical raw materials, such as nickel and cobalt, which are indispensable to that country's production for both civilian and defence needs; and might well jeopardize the production in Canada of defence munitions and supplies for the United States armed forces. Moreover, the maintenance and expansion of Canadian industrial production is of particular concern to the United States because of that country's long and continuing interest in strengthening the economic structure as well as the defence potential of the North American Continent. This interest has been declared to be a fundamental tenet of United States policy in a number of official declarations made by that government — e.g., the Hyde Park Declaration of 1941; the subsequent exchange of notes between the two governments of May 1945 extending the Hyde Park Declaration; and the Statement of Principles of Economic Cooperation approved by the President on September 20, 1950. This policy has also received official recognition in the report of the United States-Canada Joint Industrial Mobilization Committee of August 13, 1952; and in the numerous directives and orders promulgated by various agencies of the United States Government, including the Munitions

Board, the Defense Department and the National Production Authority, implementing such policy declarations.

4. Petitioner seeks to intervene in this proceeding in order that it may amplify the foregoing by presenting evidence and testimony at the hearing which will commence December 9, 1952, and in such other ways as may be appropriate.

Wherefore, the Government of Canada, through its Ambassador to the United States of America, asks leave to intervene and participate in this proceeding as a party.

H.H. WRONG

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803. DEA/1268-D-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-2821 Washington, December 8, 1952

CONFIDENTIAL

ST. LAWRENCE PROJECT

In a recent conversation, Mr. Hugh Burns, Vice-President of the Great Lakes-St. Lawrence Association, told a member of my staff that the Association is confident that the Federal Power Commission will issue a licence to the Power Authority of the State of New York before January 20. The Association's information is to the effect that three members of the Commission are in favour of licensing the project. However, Burns considers that the action of the Commission will be contested in the courts and that litigation will continue for one and a half to two years. Burns also believes that the Power Authority will not be able to float bonds or proceed with its part of the project until the litigation is completed. (We have also heard, on the other hand, that the Power authority will attempt to deal with this possibility by seeking an appropriation of funds by the New York State Legislature.)

2. The Great Lakes-St. Lawrence Association, therefore, argues that work on the project cannot commence, under present plans, for about two years and, as an alternative, the Association is drafting legislation for a joint seaway project which it hopes to have introduced in the Congress around February 1, 1953. Burns declined to reveal what was in the proposed legislation, but said they had reason to believe that many of those whom General Eisenhower has designated to fill Cabinet or other important posts in his administration would support a joint project. He specifically mentioned Dulles, Humphrey, McKay, Sommerfield, and Vandenberg. Burns also said that they expected increased support from the two committees of Congress which would consider the legislation. Consequently, an effort will be made to push the proposed legislation through both houses of Congress during the "honeymoon" which the administration is expected to enjoy with Congress for six to eight months. One

new factor favouring congressional approval is the realization that Canada is able and willing to construct the seaway alone, and that the United States might therefore forfeit its own interests in the St. Lawrence.

3. Burns' references to the specific sources from which the Great Lakes-St. Lawrence Association expects to get support for its proposed legislation indicates that the association is already engaged in drumming up support. It would appear that they have already canvassed the key members of the new administration. When Burns asked what the attitude of the Canadian Government would be to the new proposals it was pointed out to him that the 1941 agreement has been superseded and that, although we were aware of the likelihood of delay due to litigation, we were presently concerned exclusively with the project approved by the I.J.C. and with the all-Canadian seaway.

4. As the Great Lakes-St. Lawrence Association is appearing in the F.P.C. hearings this week, we may hear more of the Association's plans and will endeavour to keep you informed. There was no indication whether the proposed legislation included a joint power development. However, you will note that the Association's proposal fits in with the only public statement that General Eisenhower appears to have make on the seaway since his nomination last July. That statement was revised after consideration, to indicate that he thought it would be wrong for the United States to forego its interest in the waterway.

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804. DEA/1268-D-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-2867 Washington, December 12, 1952

CONFIDENTIAL. IMPORTANT

ST. LAWRENCE PROJECT

Reference: WA-2821 of December 8.

The Canadian Desk at the State Department has orally informed us that a letter has been received from Congressman George Dondero (Republican, Michigan) who will be Chairman of the House Public Works Committee in the 83rd Congress, asking the State Department to inform the Canadian Government that he intends to introduce legislation in the next session of Congress requesting the administration to negotiate a new agreement with Canada for the development of the Great Lakes-St. Lawrence Basin, as provided in the 1941 Agreement, but taking into account later developments.

2. The Canadian Desk intends to give us a memorandum with the substance of Dondero's letter, in a day or so. It is not clear, however, whether it is Dondero's intention to include the power project in the International Rapids Section of the St. Lawrence River in the proposed new agreement, and it may not be clear even when we obtain the text of the relevant parts of his letter. In

any case, it would probably be beyond his control as soon as any such measure reached Congress.

3. It appears that Michigan, and possibly some of the other upper lake States, are worried because the Canadian commitment to provide deep water navigation extends only to Lake Erie, and that they would still have to get Congress to appropriate about 90 million dollars to complete deep water navigation to Lake Superior. Most of the work would have to be in the Toledo and Port Huron area.

4. With reference to WA-2821 of December 8, Danielian has now added that the Great Lakes-St. Lawrence Association is under great pressure from its membership in the upper lake area to support the sort of proposal that Dondero intends to put forward and to do whatever is possible to ensure that the United States will participate in the seaway. It is only thus, they claim, that they can ensure that the waterway will be completed to the head of the Lakes because of the necessity of obtaining such a large appropriation to complete the job. They point out that this is approximately one-third of what Canada expects to spend on the Canadian waterway. Danielian is emphatic in giving what assurance he can that the proposals which he is discussing with proponents of the seaway in Congress cover only the seaway phase of the project and that he is advising that such legislation should be introduced only after the Federal Power Commission has acted upon New York's application (i.e. after the middle of February). Danielian, of course, would have no control over the timing of the introduction of whatever measures the proponents may wish to introduce and Dondero, as a firm supporter of the seaway, will undoubtedly be under great pressure to act as soon as possible.

5. Although the Great Lakes-St. Lawrence Association still consider that delay in starting the project due to litigation is likely, Danielian is seeking, on behalf of his supporters in the upper lakes region, some assurance that the Canadian Government will not take irrevocable steps towards the construction of the seaway in the International Rapids Section of the River until Congress has had an opportunity to urge a new agreement to cover the seaway phase of the project only. If they could be assured that sufficient time for Congress to act would elapse between the granting of a licence and the taking of the first irrevocable step toward the Canadian Seaway *in the International Rapids Section* (even if the F.P.C. action is not challenged in the courts), the Great Lakes-St. Lawrence Association will continue to urge its members in the upper lakes region to refrain from challenging the F.P.C. licence if granted. They would attempt to limit the proposals of supporters in Congress to the seaway only and to counsel that such proposals be delayed until the F.P.C. has acted.

6. We have refrained from stating that irrevocable steps toward the construction of the Canadian Seaway have already been taken and, indeed, it may be best to suggest to Danielian merely that we would only be able to consider any new proposals when and if they were properly put forward. This is approximately what the Minister told Danielian when he was in Ottawa last August and he has drawn conclusions from those conversations which are satisfactory to him. In this connection it should be remembered that the

Examiner now hearing the New York application rejected it in 1950 because it did not encompass the development of the Great Lakes-St. Lawrence Basin as provided for in the 1941 Agreement. Although it would be far-fetched to claim that arrangements for a power project in the St. Lawrence should ensure navigation works above Lake Erie, the Canadian commitment to construct the waterway to Lake Erie does not completely answer the former objection.

7. Danielian intends to pursue the question referred to in paragraph 5, however, and has asked us specifically whether it is physically necessary that there be a time lag between commencement of construction of the power project and commencement of construction of navigation facilities in the International Rapids Section. We have said only that we have no information in this connection, and it is, therefore, probable that he will try to approach Mr. Henry, or Department of Transport officials in Ottawa, in the next few days. (Incidentally, the Examiner said on the record, but in an off-hand manner, on Thursday, that he did not think New York's application should be referred to Congress again.)

8. It would appear that, regardless of the outcome of the present proceeding before the F.P.C., measures will be introduced in Congress which may cause embarrassment and delay. It is also possible that our attitude towards such measures may cause some proponents to change their position with regard to court action on New York's licence if granted. The Associated Press reporter covering the F.P.C. hearing, and other newspaper men here, have commented that recent conversations they have had on Capitol Hill indicated that many Congressmen have been worried by the administration's warnings that United States national interests may be forfeited if the seaway is built entirely by Canada. Regardless of the facts, they feel this may be good election material. Any comments on the possibility of United States co-operation in the seaway should, therefore, be carefully considered. Meanwhile, it would perhaps be best to point out to Danielian that the most time consuming part of the construction of the waterway would be in the Lachine area and that it would therefore be logical to commence construction there ahead of the International Rapids Section, and to let him draw his own conclusions from this. Your comments would be appreciated.

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805. DEA/1268-D-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis

Secretary of State for External Affairs
to Ambassador in United States

TELEGRAM EX-2403[100] Ottawa, December 17, 1952

SECRET. IMPORTANT.

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[100] Le télégramme porte la mention :/Noted in telegram:
Repeated to Canadian Delegation, New York for Mr. Pearson #264.

ST. LAWRENCE PROJECT — F.P.C. LICENCE

The Interdepartmental St. Lawrence group, chaired by Mr. Pickersgill and including Mr. Lessard and Mr. R.A.C. Henry, met yesterday afternoon to consider whether anything should be done immediately if the Federal Power Commission hearing on Spalinski's application[101] ends Friday. It was felt that Canadian action in the next few weeks (including any reply to Danielian's approach to the Embassy or to the State Department's memorandum on Congressman Dondero's plan to introduce a bill calling for a new navigation and power agreement — your teletypes W.A. 2867 of December 12 and W.A. 2876 of December 13)† would depend largely on whether Spalinski's application is dismissed by the F.P.C. later this week, making it *legally* possible for the Commission to issue a licence to New York more or less immediately.

2. In the light of reports from you and those who have been in Washington for the hearings and of the mounting interest in the United States in a new agreement with Canada covering navigation alone or navigation and power, it appeared that, if the Spalinski hearing is not concluded until after the new administration takes over, favourable F.P.C. action on the New York application will be problematical.

It was considered, that in such circumstances, the best solution might be to address a note to Mr. Dulles very shortly after January 20, pressing for action on the power project. Even if this were done, however, the possibility of early construction of the power project seems doubtful if the F.P.C. does not approve the project before January 20.

3. In view of these factors, the urgent need for power and doubt about the likelihood of the F.P.C. reaching an early and favourable decision *after* January 20, the Interdepartmental group felt that everything possible and reasonable should be done in an effort to obtain approval of New York's application before January 20 if the Spalinski application is dismissed this week and the F.P.C. is thus, technically at least, placed in a position to issue an early license. It was believed that, even in that event, one or two of the Commissioners who are favourable to New York would be reluctant to approve the project before January 20 because of uncertainty as to their personal future. The Committee concluded, therefore, that we should explore with you and Mr. Pearson the possibility of his having a talk in New York in the next few days with someone in the incoming administration, such as Mr. Dulles or Mr. Brownell, if the Spalinski case is dismissed. The suggestion was that Mr. Pearson would presumably do this only with the knowledge of the present administration and that he might take the line that the need for power was

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[101] Ceci fait référence à la soumission déposée par H.A. Spalinski pour le compte de la «Public Power and Water Corporation of Trenton, New Jersey», afin d'obtenir le permis d'exploiter les ressources hydro-électriques et le transport maritime dans la section des Rapides internationaux.

This refers to an application submitted by H.A. Spalinski on behalf of the Public Power and Water Corporation of Trenton, New Jersey, for a licence to develop power and navigation in the International Rapids section.

urgent; that the United States has delayed the power project for a considerable period; that if the incoming administration let this project hang fire until they took over and were faced with new resolutions and bills in Congress involving power, they would find themselves in considerable embarrassment with regard to such domestic matters as the claims of the other Eastern states to a share of the power; that if they were to use their influence with a view to obtaining a favourable decision by the F.P.C. early in January, they would have one knotty problem out of the way; and that any further delay on the part of the United States in facilitating construction of the power project would have very damaging results for Canada-U.S. relations. It was contemplated that before the proposed talk Mr. Pearson would be given a background brief on the St. Lawrence project.

4. While it is a question whether such a talk would have the desired effect, it seems here to be the only step that can usefully be taken to obtain a prompt decision if the Spalinski application is dismissed and it would not seem to be out of line with the aims of the present administration.

I should be grateful if you would let me have, at your earliest convenience, your views on this proposal, including any suggestions as to whom Mr. Pearson might approach and how the present administration could be informed of the action contemplated. It would be helpful if your reply could be repeated to Mr. Pearson in New York.

5. At a Cabinet meeting held this afternoon, the Prime Minister brought this message to the attention of Ministers. There were some members of the Government who were somewhat doubtful as to the wisdom of the proposal that Mr. Pearson should have a talk with Dulles or Brownell before the new Administration takes over on January 20, but Cabinet would nevertheless be glad to have your views in this matter.[102]

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806. DEA/1268-D-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

Telegram WA-2917 Washington, December 19, 1952

Secret. Important.

ST. LAWRENCE PROJECT: F.P.C. LICENCE

Reference: EX-2403 of December 17.

Addresed External Ottawa WA-2917 (Important) repeated Candel New York No. 26 (Immediate) for Mr. Pearson.

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[102] Note marginale :/Marginal note:
OK. C. E[berts]

We agree that our course of action will depend largely on what the F.P.C. does with Spalinski's application; and that if the F.P.C. has not by January 20 approved New York's application, we should press the new administration very shortly after January 20 to stimulate action on the power project.

2. If the F.P.C. dismisses Spalinski's application, we think there is not much *the Canadian Government* can do to further the prompt issuance of a licence to New York before January 20. We doubt if Mr. Dulles, particularly before he assumes office, can, or would seek to, influence a semi-judicial body to act on a matter on which evidence has been taken and judgment is awaited. From the practical point of view, it seems to us that if anything of the sort can be done, Governor Dewey might be able to do more than anyone, and I suspect he is already doing what he can.

3. It might possibly help, however, if Mr. Pearson could find a convenient opportunity to tell Mr. Dulles how badly we need power; that, after twenty years of effort, I.J.C. has approved a project acceptable to both governments; that now there is but one remaining step — approval by the F.P.C. of New York's application — to be taken before construction can begin. We prefer such a broad statement of our interest because it makes clear not only our desire to have New York's application approved but it implies that we are in no mood to welcome any alternative.

4. If it is decided to approach the new administration before January 20, I see no difficulty in advising the present administration of what we are doing. It can be done here easily through the State Department.

5. In short, if the Spalinski application is dismissed, I think we should leave the question of seeking to influence the F.P.C. to New York State. There is one possibility we might bear in mind. The present administration might designate New York conditionally as the entity to deal with Hydro. If that were done it would leave only one step to be taken — the approval by the F.P.C. of New York's application — and remove one possible source of delay.

6. In our approach to all these questions we are strongly influenced by the belief that the action taken by the F.P.C. will be a resultant chiefly of the domestic forces interested in the production and distribution of power in the United States. Our best hope lies in the political strength of Governor Dewey and the New York Power Authority. I believe that we should encourage New York rather than attempt ourselves directly to put pressure on the F.P.C. through either the present or the new administration. If Governor Dewey and Mr. Pearson were to be in New York at the same time, I should think a private talk between them might be advantageous.

7. Today's events at the hearing, on which we shall report shortly, may have a bearing on the contents of this message.

807. DEA/1268-D-40

Le chef de la délégation à l'Assemblée générale des Nations unies
au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations
to Secretary of State for External Affairs

TELEGRAM 571 New York, December 19, 1952

SECRET

ST. LAWRENCE PROJECT

Reference: Your telegram No. 264 (EX-2403 to Washington).

Addressed External Ottawa No. 571, repeated Beaver Washington No. 171.

Following from the Minister.

1. I have not yet heard from Mr. Wrong regarding the suggestion you make, but I would be myself doubtful of the wisdom or value of any approach to Mr. Dulles on this matter or to Mr. Brownell which could be interpreted by them as in any way official. However, I am having dinner with Mr. Dulles tonight and will take advantage of the opportunity to have a few words with him about the matter in a general way, emphasizing to him the necessity for early action and the strong feeling that will be created in Canada if that early action were prevented by delays or diversions in Washington.

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808. DEA/1268-D-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-2926 Washington, December 20, 1952

SECRET

ST. LAWRENCE PROJECT

Reference: Your Candel No. 571 to Ottawa, repeated here as No. 171 of December 19.

Addressed Candel New York No. 28, repeated External Ottawa as WA-2926.

Following for Mr. Pearson, Begins:

1. You will now have seen from my message of yesterday (repeated to you as Candel No. 26) that we are in full agreement on what might appropriately be said to Mr. Dulles at this time. We delayed our reply in hope that yesterday the diversion caused by the application of Spalinski to build the power works would have been disposed of. Spalinski seems to be unbalanced, and his complete incapacity to undertake the project was exposed during cross

examination at the F.P.C. hearing. When the hearing ended yesterday, however, the F.P.C. examiner adjourned proceedings until February 2nd, when the hearings will be resumed. The examiner will, therefore, not be able to make his formal report to the full commission before February. It is certain that the Spalinski application will be dismissed.

2. When it became clear that he had no solid backing, I authorized Mundell yesterday to say at the hearing that Spalinski's proposals were unacceptable to the Canadian Government. This was done with the approval of the examiner and of counsel for the F.P.C. (It appeared, incidentally, that his applicaton envisaged payment by Canada of a substantial part of the costs of the United States half of the project.)

3. I am afraid that we cannot now expect the F.P.C. to issue a licence to the New York Power Authority before March, and I think there is not anything that we can do officially to hasten action, at any rate until after the new Administration takes over. Ends.

SECTION B

PRODUITS LAITIERS
DAIRY PRODUCTS

809. DEA/10817-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis

Secretary of State for External Affairs
to Ambassador in United States

TELEGRAM EX-109 Ottawa, January 14, 1952

CONFIDENTIAL

UNITED STATES IMPORT RESTRICTIONS ON DAIRY PRODUCTS, ETC.

The question of possible further Canadian action on this matter has been discussed between the Departments concerned in the light of information gathered by Bull in Washington last month and of Hopper's[103] letter to Isbister of December 28. It was agreed that no retaliatory action ought to be taken at this time. On the other hand, it was considered desirable to remind the U.S. authorities of Canada's continuing and active interest in the removal of these restrictions. Hence it was agreed that a note of reminder ought to be handed to State Department and, unless you see objections, we would be grateful it you would do so. The text of the proposed note follows at the end of this telegram.

2. We are thinking of giving copies of this note to the other governments directly concerned in the removal of U.S. restrictions but would not do so if it would embarrass the U.S. Administration. Would you please raise this question

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[103] W.C. Hopper, conseiller (Agriculture), ambassade aux États-Unis.
W.C. Hopper, Agricultural Counsellor, Embassy in United States.

with State Department. If State Department asked to publish our note we would gladly agree, but we would not take the initiative.

3. Text of note follows: Begins: Sir, I have the honour to refer to my Note No. 496 of August 27, 1951, regarding the restrictions imposed upon imports of fats, oils and dairy products under Section 104 of the Defense Production Act of 1951. These restrictions are a matter of continuing concern to the Canadian Government. It will be remembered that in my previous Note the Canadian Government drew attention to the damage being done to Canadian trade with the United States in dried milk products and cheese in particular. It referred in addition, at that time, to the far-reaching implications of these controls which are inconsistent with the obligations assumed by the United States under the General Agreement on Tariffs and Trade.

It will be remembered also that these import restrictions were the subject of detailed consideration at the Sixth Session of the Contracting Parties to the General Agreement on Tariffs and Trade. A resolution, adopted on October 26, 1951, recognized that these measures constitute an infringement of Article XI of the Agreement. At the same time, the Contracting Parties took note of the determination stated, on the part of the United States Government, to seek repeal of Section 104 of the Defense Production Act, and they took note also of the high priority and urgency which it was stated would be given to further action to this end.

The Canadian Government was informed to its great satisfaction of the efforts which were made in the United States in the fall of 1951 to secure the passage of remedial legislation, although the current session of Congress came to an end before a successful conclusion could be reached. The Canadian Government wishes to take this opportunity to urge that these import restrictions be removed without further delay so that normal trade and normal commercial relations may be resumed in the fields affected.

I have, etc. Ends.

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810. DEA/10817-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-166 Washington, January 17, 1952

CONFIDENTIAL

UNITED STATES IMPORT RESTRICTIONS ON DAIRY PRODUCTS, ETC.

1. The note contained in your EX-109 of January 14 was handed to Leddy and Weiss of State Department this afternoon. They appeared to be pleased to receive it and stated that it would probably be shown to Senator Fulbright later today.

2. State Department will have no objections to the note being given to other governments directly concerned with the removal of United States restrictions.

3. It is expected that the repeal bill will be considered by the Senate early next week, or as soon as the District of Columbia Home Rule Bill is disposed of.

4. Leddy stated that dairy interests have been actively lobbying and it is possible that the bill for repeal of section 104 might be defeated in the Senate.

5. On the other hand, officials of the Department of Agriculture stated yesterday that the high price of butter, which reached 98 cents at retail recently, may influence the decision in favour of repeal of import controls.

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811. DEA/10817-40

Note de la Direction économique

Memorandum by Economic Division

Ottawa, January 18, 1952

UNITED STATES IMPORT RESTRICTIONS ON DAIRY PRODUCTS

On receiving teletype No. WA-166 of January 17 from the Canadian Embassy in Washington, I telephoned Dr. Isbister and Mr. Reisman to discuss with them the most appropriate procedure for transmitting copies of our latest note to the United States Government to other governments directly interested in the removal of the United States restrictions.

We agreed that copies of the note should be made available to the governments of the Netherlands, Denmark, Norway, France, Italy, Finland, New Zealand, Australia and the United Kingdom, all of which had taken an active part in the debate on this issue at the last session of the Contracting Parties to the GATT. In addition, Dr. Isbister suggested that a copy be forwarded to the Swiss Government which, although not a member of the GATT, was no doubt closely following the steps which were being taken with a view to the repeal of the import control amendment to the Defence Production Act.

It was also agreed that, instead of distributing copies of the notes through the representatives of the countries concerned in Ottawa, we should ask our missions in these countries to undertake the distribution. This procedure would serve to keep our missions informed of the latest developments in connection with this question.

K. GOLDSCHLAG

812. DEA/10817-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis

Secretary of State for External Affairs
to Ambassador in United States

TELEGRAM EX-261 Ottawa, January 31, 1952

CONFIDENTIAL. IMPORTANT.

U.S. IMPORT RESTRICTIONS ON DAIRY PRODUCTS, ETC.

We learn from Isbister (John English)[104] and Willoughby[105] (State Department) that the U.S. Senate decided yesterday, by a substantial majority, to defer action designed to eliminate the "Andresen Amendment"[106] of the U.S. Defence Production Act. Apparently this means that Congress will not rescind the Amendment before the Act expires at the end of June. Willoughby adds that a new Defence Production Act will be under consideration in the near future and that, of course, State Department will continue to fight the inclusion of anything resembling the Andresen Amendment.

2. We must now consider whether or not to take retaliatory action. The tentative thinking of officials immediately concerned is running along the following lines:

(a) Action in this particular field cannot be isolated either from general relations with the United States or from the whole future of GATT.

(b) In regard to GATT the decision whether or not to retaliate would probably depend on how far we thought we were going to be able to keep the United States up to the full spirit of its undertakings or how far we should now envisage a gradual crumbling. In the latter case immediate and *ad hoc* considerations might predominate over strict compliance with the Agreement.

(c) It is quite probable that Ministers will not want to take any retaliatory action unless there is an outbreak of criticism in Canada.

(d) On the other hand, as State Department officials have been at pains to point out, if we are going to retaliate, there is much to be said for doing it quickly so that the point of our action will be clear; delay might lead to misundertandings of our motives at the time when the action was actually taken.

3. This matter will, no doubt, have to receive the attention of top officials and also of Ministers in the near future. In the meanwhile we should greatly appreciate your comments and guidance.

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[104] J.H. English, conseiller (Affaires commerciales), ambassade aux États-Unis.
J.H. English, Commercial Counsellor, Embassy in United States.

[105] Woodbury Willoughby, conseiller (Affaires économiques), ambassade des États-Unis.
Woodbury Willoughby, Economic Counsellor, Embassy of United States.

[106] Section 104 de la Loi sur la production de défense.
Section 104 of Defence Production Act.

813. DEA/10817-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-338 Washington, February 2, 1952

CONFIDENTIAL. IMMEDIATE.

IMPORT RESTRICTIONS ON CHEESE AND OTHER DAIRY PRODUCTS, ETC.

Reference: Your EX-261 of January 31, 1952.

Repeat to Dr. C.M. Isbister, Director, International Trade Relations Division, Department of Trade and Commerce, and repeat to J.J. Deutsch, Esq., Director, International Economic Research Division, Department of Finance.

1. From Thorp's remarks reported in my WA-337 of today,† it is apparent that retaliation would not surprise the United States Administration. I doubt that, in the circumstances, it would have any disadvantageous effects on Canadian-United States relations.

2. If retaliatory measures which would affect farmers in the Northern United States and would not cause serious difficulties within Canada could be adopted immediately, I think they should be taken.

3. However, if retaliatory measures would cause as much difficulty for Canada as for the United States or if they could not be adopted until a comparatively short time before passage of the new legislation can be expected, I think action should be suspended until we know whether Section 104 will or will not be renewed.

4. If the new legislation contains a provision similar to Section 104, I think retaliatory measures should be adopted, even though the effect might be serious in Canada. If GATT is to continue to mean anything such action would appear to be essential. If it looks as though this section were to become semi-permanent, our retaliation need not be directly aimed at northern United States agriculture, although immediate retaliation ought to be so aimed if it is to be undertaken.

814. DEA/10817-A-40

Note de la Direction économique pour le secrétaire d'État par intérim aux Affaires extérieures

Memorandum from Economic Division to Acting Secretary of State for External Affairs[107]

CONFIDENTIAL Ottawa, February 12, 1952

UNITED STATES IMPORT RESTRICTIONS ON DAIRY PRODUCTS

I understand that, at to-day's meeting of the Cabinet, Mr. Howe will raise the question whether the Canadian Government should undertake retaliation in relation to these restrictions as we are entitled to do under the provisions of the General Agreement on Tariffs and Trade. Mr. Howe will suggest that no retaliatory measures be taken by the Government.

Before his departure Mr. Pearson indicated that he would be prepared to concur in any suitable plans for retaliation, if Mr. Howe and Mr. Abbott so decided and if Cabinet concurred. I do not think that he meant to imply that he was urging retaliation. He did feel, however, that the Government ought to take some sort of notice of the United States restrictions which, despite the determined efforts of the United States Administration, have not been repealed to date; if the Government did not do so, the General Agreement would become virtually meaningless.

Mr. Howe has also been giving some consideration to the desirability of issuing a press release outlining the position of the Canadian Government. He may raise this matter in Cabinet. My own view is that there would appear to be little advantage in issuing a statement dealing with measures which the Canadian Government is *not* prepared to take. In the circumstances a brief statement to the House after Parliament reconvenes would perhaps be preferable.

ESCOTT REID
for A.D.P. H[eeney]

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815. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa,] February 12, 1952

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[107] Note marginale :/Marginal note:
Sent to Mr. Claxton 12.2.52.

U.S. IMPORT RESTRICTIONS ON DAIRY PRODUCTS; RETALIATION

16. *The Minister of Trade and Commerce*, referring to discussion at the meeting of August 22nd, 1951, said that the Interdepartmental Committee on External Trade Policy had considered whether any measures of retaliation should be taken by Canada now that it appeared unlikely that Section 104 of the Defence Production Act, which placed restrictions on the import of dairy products into the United States, would be rescinded by this Congress. There had been a difference of view within the Committee. It would be most undesirable to start a war of retaliation with the United States and he recommended that no such measures be adopted at present.

17. *The Minister of Finance* expressed agreement. It would be difficult to impose tariff restrictions that would not add to the cost of living. Any measures would have to be taken by legislation and this would provoke a general debate on tariff and trade questions in Parliament. It would be desirable, however, for Ministers who had occasion to speak in the United States to draw attention to the undesirable effects of the action of Congress in breaking the agreements that had been made by the United States.

18. *The Minister of Resources and Development as Acting Minister of Agriculture* said the Department of Agriculture was in agreement that measures of retaliation at present were undesirable.

19. *The Cabinet*, after discussion, noted the report of the Minister of Trade and Commerce and agreed that no measure be taken at the present time in retaliation for the restrictions imposed by the U.S. Congress through the amendment of the Defence Production Act on the importation of dairy products into the United States.

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816. DEA/10817-A-40

La Direction économique au directeur de la direction générale des relations commerciales internationales du ministère du Commerce

Economic Division to Director, International Trade Relations Branch, Department of Trade and Commerce

CONFIDENTIAL Ottawa, February 27, 1952

NORTH ATLANTIC COMMUNITY; U.S. RESTRICTIONS ON DAIRY PRODUCTS

Dear Claude [Isbister],

On my way to the Lisbon Conference of the North Atlantic Council it occurred to me that an occasion might arise there to emphasize, within the framework of the North Atlantic Community and Article II of the North Atlantic Treaty, the concern felt by the Canadian Governments and other North Atlantic Government over the "Andresen Amendment".

As you know, Mr. Pearson did refer to this at the one meeting of the Committee on the North Atlantic Community that was held in Lisbon. Immediately afterwards I wired home for the views of your Department and the Department of Finance and duly received them.

At the same time I asked the U.S. Delegation what they would think of some reference to the matter in full Council. They asked for instructions from Washington and received, not a telegram, but an informal telephone call. They were told that an informal reference to the matter in full Council would certainly not be taken amiss; indeed a little needling might be useful. On the other hand, they doubted the desirablility or propriety of any formal expression of views by the Council.

All this information was passed on to Mr. Pearson. However, when the report of the Committee came up in the full Council, the circumstances did not seem propitious for any mention of this matter. There were a lot of delicate issues unsettled in completely different fields and it did not seem wise to needle the United States on this subject. Accordingly neither Mr. Pearson nor any other Minister made any reference to it in full Council.

Yours sincerely,

A.F.W. PLUMPTRE

817.

DEA/10817-A-40

Le secrétaire d'État aux Affaires extérieures
au haut-commissaire au Royaume-Uni

Secretary of State for External Affairs
to High Commissioner in United Kingdom

TELEGRAM 501[108]

Ottawa, March 1, 1952

UNITED STATES IMPORT RESTRICTIONS ON DAIRY PRODUCTS

New York Times despatch from Geneva reporting that Canada was preparing programme of sharp and extensive retaliatory restrictions on imports of United States farm products, which was carried in Canadian press and over radio, prompted question in House of Commons yesterday (Feb. 29).

2. Mr. Howe replied that Canadian Government had decided, in present circumstances, not to take retaliatory action. Situation had not reached point where retaliation would be either effective or appropriate. Geneva despatch was therefore erroneous and did not reflect views of Government which had authorized no new statement of policy and regretted press report. Canada deplored United States import controls which had been introduced in direct contravention of our trade agreement with United States and seriously impaired value of certain tariff concessions negotiated at Geneva and Torquay.

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[108] Le télégramme porte la mention :/Noted in telegram:
Repeat: OEEC Mission, Paris No. 20 (London please pass). Cdn[Canadian] Amb[assador] Wash[ington] EX449 March 1/52.

However, bill to repeal Andresen amendment was now pending in Washington and prospects for remedial legislation were encouraging. In the circumstances Canadian Government did not consider it appropriate to threaten retaliation "on a subject which was at present receiving constructive consideration of United States Senate."

3. Mr. Howe made no reference to possible attitude of Government if import restrictions were not rescinded.

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818. DEA/10817-A-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-1765 Washington, July 3, 1952

UNCLASSIFIED

IMPORT CONTROLS ON CHEESE AND OTHER DAIRY PRODUCTS

Following for Dr. C.M. Isbister, Director, International Trade Relations Branch, Dept. of Trade and Commerce and G.R. Paterson, Esq., Director, Agriculture and Fisheries Branch, Dept. Trade and Commerce, Begins:

1. In Hopper's absence, Hillhouse[109] was called to a meeting this afternoon to which had been invited the agricultural representatives of all countries interested in the import controls on dairy products. The meeting was held just prior to the issue by the USDA of press release 1458, copies of which are going forward by bag.

2. The meeting and the press release were concerned with the changes in defence food order No. 3, which result from the modification of Section 104 of the Defence Production Act as amended, and from changes in supply factors affecting several of the commodities covered by Section 104.

3. It was stressed that the changes announced today have been determined by the secretary on the basis of presently anticipated effects of imports on domestic production, marketing, storage and price support programs, during the current period, and that the secretary will continue to review the situation affecting commodities or products included under Section 104 and, as a result of such reviews, possibly increase, decrease or eliminate entirely the quotas which have been established.

4. From the Canadian standpoint, the most important part of the announcement was to the effect that the import quota for cheddar cheese for 1952-53 from all countries has been established at an annual rate of eight and one-half

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[109] W.F. Hillhouse, adjoint au secrétaire d'ambassade (Affaires commerciales, agriculture), ambassade aux États-Unis.
W.F. Hillhouse, Assistant Commercial Secretary (Agriculture), Embassy in United States.

million pounds, which is approximately equal to the annual rate of cheddar cheese imports authorized during the 1951-52 period. It was estimated that Canadian share of this will amount to about 25 per cent of the total but we will report further when this point is clarified. In apportioning the total quota a new formula will be used. In 1952-53 the quotas for each class of cheese will be apportioned among individual importers on the basis of the proportion of the United States total which was imported by each importer in 1950 subject to certain allowances.

5. Controls in effect during the 1951-52 control period on butter, butter oil, flaxseed (except screenings, scalpings, chaff and scourings) linseed oil, nonfat dry milk solids, peanuts and rice (except meal, flour, polish, bran, starch), are continued without change.

6. Emmenthaler, gruyere process, roquefort, and certain less important special varieties, are being freed from import controls as are also the rice and flaxseed products bracketed in paragraph five above.

7. The import quota for casein has been established at an annual rate of 40 million pounds or approximately 25 percent less than last year's. However, last year's quota was not completely filled and it is expected that the 40 million pound quota will take care of anticipated imports for 1952-53.

8. Licences will be issued to individual importers as quickly as possible for approximately one-third of their annual quota. These quotas need not be used necessarily before June 30, 1953.

9. Strong representations were made at the meeting by Dutch and Italian officials who indicated their distress at the very narrow interpretation which the Department of Agriculture had placed upon the provisions of the new Section 104 and the intent of Congress as expressed in the conference report. It was pointed out by the Dutch representative that, by removing emmenthaler, gruyere and roquefort, from control while retaining quotas upon certain special Dutch and Italian types, the United States was in fact contravening the anti-discriminatory provisions of the GATT.

10. Haggerty, the new Director of OFAR, stressed that little time had been available to make adequate analysis of the situation and that it was his hope that the continuing reviews of the situation to be made by the secretary might, at some future date, make possible some revision in the present regulations. Ends.

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819. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa,] July 15, 1952

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U.S. IMPORT RESTRICTIONS; ACTION UNDER G.A.T.T.

42. *The Secretary of State for External Affairs*, referring to discussion at the meeting of February 12th, reported that the amended version of the U.S. Defence Production Act, which entered into force on July 1st, contained a section substantially similar to section 104 of the 1950 Act restricting imports of fats, oils, cheese and other dairy products. At the Intersessional Committee of the G.A.T.T. in February 1952, a working party had been established, of which Canada was a member, to receive any notifications by Contracting Parties of their intention to suspend application of concessions to the United States. The Danish government had now enquired whether Canada intended to request the convening of the working party and, if not whether Canada would support a Danish initiative along similar lines.

The Interdepartmental Committee on External Trade Policy had considered the question and agreed that there would be little purpose in having the special working party convened at this time since the regular session of the Contracting Parties was scheduled to open on October 2nd. It was recommended that a reply be sent to the Danish note accordingly.

An explanatory memorandum was circulated.

(Minister's memorandum, July 14, 1952 — Cab. Doc. 219-52)†

43. *The Cabinet* approved the recommendation of the Secretary of State for External Affairs and agreed that a reply be sent to the Danish note on the convening of the working party under G.A.T.T. to consider import restrictions imposed by the U.S. Defence Production Act stating that:

(a) the Canadian government thought it would be desirable to postpone discussions until October or November when the next regular session of the Contracting Parties was expected to be held; but that

(b) as a member of the special working party, Canada would be willing to participate in any discussion which might be held in advance of the regular session at the request of a complaining contracting party.

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820. DEA/10817-A-40

Note de la Direction économique pour le sous-secrétaire d'État aux Affaires extérieures

Memorandum from Economic Division to Under-Secretary of State for External Affairs

CONFIDENTIAL Ottawa, August 14, 1952

UNITED STATES IMPORT RESTRICTIONS ON DAIRY PRODUCTS

In our letter of July 24† we asked our Embassy in Washington to give consideration to the following questions:

(a) Is retaliation by Canada likely to be instrumental in focusing the attention of the United States Congress and public on the harmful effects of the type of protectionist policy exemplified by Section 104 and the later revision of the Defence Production Act;

(b) In the event that retaliatory action were considered to be both practicable and effective, what timing would be most appropriate for such action; and

(c) Which of the tariff concessions initially negotiated by Canada with the United States might best lend themselves to compensatory suspension from the point of view of their impact on United States exporters and bearing in mind the provisions of Article XXIII (2) of the General Agreement which stipulates that the Contracting Parties may authorize the suspension of a concession to the extent that it is considered "appropriate in the circumstances."

It was felt that the views of our Embassy on these questions would provide a useful basis for any further consideration which might have to be given to the praticability of retaliatory action by Canada prior to the opening of the Seventh Session of the Contracting Parties and, possibly, prior to a meeting of the special working party between now and the regular GATT session in October.

2. I now attach for your information a copy of Letter No. 1787 of August 8 which embodies our Embassy's reply. You will note that, in the view of our Embassy, retaliation by Canada might well have a tangible effect both on the United States public and Congress, probably more so than similar action by any of the other affected countries. On the matter of timing our Embassy makes a cogent case for initiating whatever action it might be decided to take some time after the Presidential elections and before Congress reconvenes in January. A date in late November or early December would, accordingly, appear to be indicated. This timing would have the additional advantage that it could be brought into direct conjunction with a decision of the Contracting Parties whose Seventh Session is likely to last until some time toward the end of November.

3. As for the possible commodities to which the retaliatory suspension or modification of Canadian tariff concessions to the United States might be applied, our Embassy suggests that selected types of dried fruit products would seem to offer the most practical basis for consideration.[110] The exact scope of our retaliatory restrictions would, of course, have to be considered carefully here with a view to ensuring that our recourse to the provisions of Article XXIII was endorsed by the Contracting Parties as "appropriate in the circumstances."

4. According to our latest information from The Hague it is still possible that the Netherlands may request the convening of the special working party which was set up last February to consider the United States import restrictions on dairy products in the light of subsequent action by the Congress. If the Netherlands decide to proceed with their complaint prior to the regular session

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[110] Note marginale :/Marginal note:
Mr. Ritchie: In view of the high preference on raisins, dried fruits do not seem a good item. W[ilgress]

of the Contracting Parties,[111] I assume that Ministers would wish to review the Canadian position on the question of retaliation so that our representatives on the special working party could be provided with appropriate instructions.

A.E. RITCHIE

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821. DEA/10817-A-40

Note de la Direction économique
pour le sous-secrétaire d'État aux Affaires extérieures

Memorandum from Economic Division
to Under-Secretary of State for External Affairs

Ottawa, August 15, 1952

UNITED STATES IMPORT RESTRICTIONS ON DAIRY PRODUCTS

In your marginal note on my memorandum of August 14 you suggested that it might be possible for us, by way of an approach to the Netherlands Embassy in Ottawa, to dissuade the Dutch from submitting their complaint to the special working party in advance of the regular session of the Contracting Parties which is scheduled to open in October.[112]

2. You may be interested to know that the Dutch have already approached us in this matter, not only through their Commercial Counsellor here, but also in Geneva and The Hague. They were anxious to find out if the Canadian Government was prepared to take retaliatory action either at this time or at some subsequent date which might be considered more appropriate in the light of the impending United States elections.

3. In reply we informed the Dutch that, while Ministers had not so far given consideration to the substance of the question of retaliation, they had agreed that the present time did not appear to be particularly suitable for a discussion of the continued United States restrictions in the GATT forum and that we should prefer to postpone such a discussion until the October session. In the event that retaliatory action were decided upon, it was, in any case, likely to have a substantially greater impact on the United States Administration and Congress either immediately before or immediately after the Presidential elections.

4. At the same time, we made it clear to the Dutch that, if the Netherlands Government pressed for the convening of the special working party prior to the Seventh Session, we would of course expect to participate in the discussions.

5. While the Dutch are ostensibly reluctant to proceed without the active co-operation and support of other interested countries, they would nevertheless appear to be determined to call for a meeting of the special working party, possibly in conjunction with the meeting of the Intersessional Committee in

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[111] Note marginale :/Marginal note:
I hope not. Could we not get in touch with Netherlands Embassy? W[ilgress]

[112] À ce sujet, voir aussi les documents 387-388.
On this subject see also Documents 387-388.

early September. They recently intimated to us once again, through our Embassy in The Hague, that they would go ahead as planned unless (a) we could offer strong reasons against their proposed course of action or (b) "promise support to them for retaliatory action at a later date." Although our Embassy did not clarify the meaning of (b), I assume that what the Dutch had in mind was an advance commitment on our part to impose retaliatory restrictions rather than merely to support in the Contracting Parties such retaliatory action as the Dutch intended to take. In any case, we informed our Embassy that there was nothing we would wish to add to the explanation of the Canadian position which had already been provided to the Dutch.

6. In the light of these circumstances I should be inclined to doubt if there would be any tangible advantage in making a further approach to the Dutch at this time.[113]

A.E. RITCHIE

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822. DEA/10817-A-40

Le délégué permanent auprès de l'Office européen des Nations unies au secrétaire d'État aux Affaires extérieures

Permanent Delegate, European Office of the United Nations, to Secretary of State for External Affairs

TELEGRAM 102 Geneva, October 7, 1952

CONFIDENTIAL. IMMEDIATE.

UNITED STATES IMPORT RESTRICTIONS ON DAIRY PRODUCTS

Repeated London for Bull and Deutsch.

We have had an informal meeting of delegates principally affected by United States restrictions on dairy products, for the purpose of exchanging preliminary views on what further action to take at 7th session. The following were represented: Australia, Canada, Denmark, Italy, Netherlands, New Zealand and Norway.

2. In view of continued violation of agreement by United States, concensus of representatives of other countries was that those suffering injury should take strong and concerted steps of a compensatory nature to preserve integrity of GATT and to restore the balance of concessions. Members of United States delegation had informally indicated to one or two of those present its agreement with this view. Most countries felt relaxations which had been recently introduced pursuant to amended section 104, repeat 104, had not repeat not significantly altered impact of restrictions although problem had been somewhat eased particularly for Italy.

3. Netherlands has decided to reduce its purchases of wheat flour from United States by 15000, repeat 15000, metric tons, in other words to impose an

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[113] Note marginale :/Marginal note:
I agree. W[ilgress]

upper limit of 57000, repeat 57000, metric tons on imports of wheat flour from United States. They tell us amount diverted from United States will probably be bought from Canada at a higher price.

4. Australia is prepared in principle to retaliate but is inclined to await outcome of current United States tariff commission investigation on wool before announcing actual measures. As a method of retaliation Tonkin of Australia has indicated privately to us his interest in restoring preferential position on dried fruits which prevailed in Canada prior to (Geneva?). When we told him Canada must reserve its position with regard to compensatory action against United States he went so far as to ask whether we might not be obliged to reinstitute preferential margins provided in Canada-Australia agreement if Australia were to retaliate against United States by withdrawing her acquiescence to reduced margins in Canada. In reply we said such action by Australia might conceivably raise for Canada whole question of status of Canada-Australia trade agreement. We counselled him not to force us into a position where we might be unable to avoid renegotiation of agreement.

5. New Zealand is also prepared to retaliate at this session by withdrawing concessions on tobacco and several other products. Denmark has decided against retaliation because their imports from United States are now limited to bare essentials so that any further reduction would be more damaging to themselves than to United States. Italy has not, repeat not, yet taken any decision on retaliation but appears to be influenced by recent relaxations in restrictions which have benefited Italy more than other countries. Norway's interest in exports of dairy products to United States is not such that retaliation would be appropriate for her.

6. We explained that Canada continues to be deeply concerned with the failure of United States to withdraw section 104 and that we are prepared to associate ourselves with criticism of flagrant United States violation of GATT. We explained we would put no, repeat no, obstacle in the way of those who have decided upon retaliation in near future. We pointed out, however, we had taken no, repeat no, decision with regard to retaliation and that Canada would have to reserve its freedom with respect to this matter. We added our view that retaliation at present might not make much impression upon United States in view of (group corrupt) preoccupation of American press and public with elections. We indicated it was our intention to re-examine question of retaliation in a few months time.

7. Several other countries disagreed with our views about retaliation and expressed disappointment that joint measures of retaliation might be greatly weakened by the absence of Canada from the list. In their view the producers in the United States affected by the withdrawal of concessions would not, repeat not, fail to feel the impact and this was far more important than the reaction of the general public in getting corrective action. At the same time it seemed clear that other countries will be influenced by the course decided upon by Canada.

8. We suggested that one possible approach would be for contracting parties to pass a critical resolution going beyond resolution passed at sixth session. In

essence, such a resolution would condemn continued United States violation of GATT and state that contracting parties which considered themselves hurt by restrictions would now be justified in withdrawing concessions from United States. The chairman of the contracting parties might withdraw advice he gave last year to those injured to delay until the United States could remedy the situation. Such an approach would meet the diverse positions of various governments on the question of retaliation. Some of those present expressed interest in a solution along these lines.

9. Finally representatives undertook to report the views expressed to their respective governments and to meet again as soon as further advice could be received. It is expected that the informal group will meet again about Saturday October 11, repeat 11. If there is any possibility of Canadian position being modified we should be advised before this date.

10. Please repeat London.[114]

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823. DEA/10817-A-40

Le secrétaire d'État aux Affaires extérieures
au délégué permanent auprès de l'Office européen des Nations unies

Secretary of State for External Affairs
to Permanent Delegate, European Office of the United Nations

TELEGRAM 107 Ottawa, October 10, 1952

CONFIDENTIAL. IMPORTANT

UNITED STATES IMPORT RESTRICTIONS ON DAIRY PRODUCTS

Reference: Your telegram No. 102 of October 7.

Canadian position remains as set forth in your paragraph 6. In our view retaliatory measures prior to forthcoming United States elections would be unlikely to result in positive or favourable action and we do not, therefore, see any practical advantage in asking Ministers at this time to consider substantive question of possible retaliation by Canada.

2. Strong resolution along lines of your paragraph 8 is acceptable and support for it entirely consistent with your instructions as approved by Ministers. We assume that authorization given affected Contracting Parties to withdraw concessions from United States would be authorization in principle and would not commit retaliating countries to consult with Contracting Parties in advance as to timing and extent of their retaliatory measures.

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[114] Le télégramme porte la mention :/Noted on telegram:
Repeated London No. 1828, Oct. 8.

824. DEA/10817-A-40

Le délégué permanent auprès de l'Office européen des Nations unies au secrétaire d'État aux Affaires extérieures

Permanent Delegate, European Office of the United Nations, to Secretary of State for External Affairs

TELEGRAM 120 Geneva, October 22, 1952

CONFIDENTIAL. IMPORTANT.

UNITED STATES IMPORT RESTRICTIONS ON DAIRY PRODUCTS

Reference: My telegram No. 102 of October 6th [7th].

Following from Isbister, GATT delegation, Begins:

1. Tonkin of Australia has returned to the question outlined in paragraph 4 of our telegram under reference. He has received further instructions and he arranged specially for presence of Leckie of the United Kingdom when he saw me.

In a further discussion along the lines indicated in our telegram under reference I felt impelled at one point to indicate that preferential item in question is in Canadian tariff not, repeat not, in Australian tariff.

3. Tonkin told me Australian ministers will raise this question with Canadian ministers at Commonwealth conference in November.

4. When contracting parties discuss United States restrictions on dairy products Tonkin intends to say that Australian retaliation against the United States may take the form of reinstitution of preferential margins and he wants to know if such a statement on his part will cause Canada any difficulty. I told him a general statement of this kind would not, repeat not, require any comment whatsoever from Canada as long as he makes no, repeat no, specific reference to the idea that Australia can retaliate against the United States via Canadian tariff. I made clear that Australia should not, repeat not, then interpret silence of Canadian delegation at that point as creating even by implication an obligation on our part to undertake future point retaliation against the United States. I emphasized that Canada reserves for the future its freedom to reach its own decisions. Ends.

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825. DEA/10817-A-40

Le délégué permanent auprès de l'Office européen des Nations unies au secrétaire d'État aux Affaires extérieures

Permanent Delegate, European Office of the United Nations, to Secretary of State for External Affairs

TELEGRAM 124 Geneva, October 24, 1952

CONFIDENTIAL. IMMEDIATE.

UNITED STATES IMPORT RESTRICTIONS ON DAIRY PRODUCTS

Reference: My telegram No. 120 of October 22nd.

Following from Canadian Delegation, 7th Session, GATT, Begins: Our immediately following telegram contains the text of a draft decision on this item of the agenda which has been prepared by the Executive Secretary. We are aware that such a decision would not, repeat not, be fully in accord with our instructions since it provides no, repeat no, authority for a country which has suffered injury to take compensatory action without receiving detailed prior approval from contracting parties. As instructed we have urged assiduously here that Article XXIII permits of that interpretation but we have met with no, repeat no, support, except recently from Australia. When Executive Secretary made it clear that, if chairman were asked to deliver a ruling on the meaning of Article XXIII, he would be forced to advise that detailed prior consultation with contracting parties would be required under terms of the article before an injured country could take a particular compensatory action, it became apparent that there would be little point in pressing our interpretation of the article further.

2. The three countries now whose positions on this issue are furthest apart and must be reconciled if at all possible are Netherlands, Australia and United States.

(a) Netherlands is anxious that no, repeat no, loophole be left through which legality of compensatory withdrawal it intends to make might be impugned. To avoid getting itself into an exposed position, however, it does not, repeat not, want any alternative procedure other than that indicated by a strict interpretation of Article XXIII to be opened up for other countries which might want to retaliate later. This understandable position has been wrapped up by Van Blankenstein in verbiage about rule of law and about breaking integrity of agreement which we have found rather unpalatable when brought into relation with way in which Netherlands and other countries have stretched, for example, prior consultation provisions of Balance of Payments Articles of Agreement.

(b) Australia wants to retaliate but is not, repeat not, yet prepared to announce form of its retaliation. The portfolio of this Australian position is provided in our telegram No. 120 of October 20. Australia would like to be free to act either during present session or afterwards, as Australian Government might decide.

(c) United States naturally would not, repeat not, be averse to any course of action which would lessen chances of some countries announcing retaliatory measures at this session. For this reason they have been somewhat attracted by our interpretation of Article XXIII. Ultimately, however, they have found it impossible to accept. One important element in their thinking is their desire that such retaliatory measures as might be taken should not, repeat not, be excessive and should not, repeat not, lead to additional counter measures and hence to a general unravelling of existing tariff schedules.

3. When we became convinced that there was no, repeat no, hope of securing acceptation of our interpretation of Article XXIII we concentrated our efforts on urging that contracting parties should decide that, in light of clear damage that was still being done to trade of a number of countries by these United States restrictions (in spite of long period that had been given United States Administration to try to remedy situation) and also in the light of lack of any practicable means for securing between sessions the approval of contracting parties, a list of countries to be specifically named should be free to withdraw concessions from United States without prior approval of contracting parties provided that such action be promptly reported to contracting parties and be subject to strict review at next session. However, at an informal meeting of all delegations principally concerned on Wednesday, repeat Wednesday, our proposed solution ran into heavy opposition from the Netherlands and from the United States. The Executive Secretary, who was also present, was far from enthusiastic about it and as a compromise suggested in the course of the meeting idea which is embodied in draft we are forwarding. Will see that Wyndham-White's suggestion is based on doctrine of negative consent. Had hoped that a compromise more closely in accord with our instruction might be reached, but under all circumstances we feel this draft provides in general best possible solution. It is almost certain to be accepted by the Netherlands and the United States. It would be our guess that Australians would also ultimately accept it, although it would clearly cause considerable difficulty in Canberra.

4. No, repeat no, date has yet been set for contracting parties to consider this item of agenda in plenary session, but a meeting for this purpose will probably be scheduled shortly. We should, therefore, be grateful to receive your comments as soon as possible. If it becomes necessary to take a firm position on this draft decision without having received further instructions from you, we would propose to acquiesce in it. Ends.

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826. DEA/10817-A-40

Le délégué permanent auprès de l'Office européen des Nations unies au secrétaire d'État aux Affaires extérieures

Permanent Delegate, European Office of the United Nations, to Secretary of State for External Affairs

TELEGRAM 125 Geneva, October 24, 1952

CONFIDENTIAL. IMMEDIATE.

UNITED STATES IMPORT RESTRICTIONS ON DAIRY PRODUCTS

Reference: My telegram No. 124.

Following from Canadian delegation to GATT, Begins: Following is the text of draft decision prepared by Executive Secretary. Text begins:

Whereas by resolution of October 26, 1951, contracting parties recognized that concessions granted by United States Government to contracting parties under General Agreement had been nullified or impaired within meaning of

Article XXIII of general agreement and that import restrictions imposed in pursuance to Section 104 of United States Defence Production Act had resulted in such nullification or impairment and constituted an infringement of Article XI of agreement and recognized further that a number of contracting parties had indicated that they had suffered serious damage as a result of this nullification or impairment and that circumstances were serious enough to justify recourse by those contracting parties to Article XXIII, paragraph 2, and whereas by said resolution contracting parties:

(i) Counselled the contracting parties affected in view of continuing determination of the United States Government to seek repeal of Section 104 of United States Defence Production Act to afford to United States Government a reasonable period of time in order to rectify situation through such repeal, and

(ii) Requested United States Government to report to contracting parties at as early a date as possible and in any case not later than opening of 7th Session of contracting parties on action which it had taken and whereas report and supplementary report submitted by United States Government to 7th Session on 10th September, 1950, and 6th October respectively fails to remove aforesaid nullification and impairment and where majority of contracting parties affected in view of last [late?] date at which aforesaid reports by United States Government were presented, have not, repeat not, had sufficient time to decide upon specific measures to which they may resort in accordance with Article XXIII, paragraph 2, and therefore are not, repeat not, in a position to submit these measures to contracting parties with a view to a determination by contracting parties as required by said Article XXIII, paragraph 2.

2. The contracting parties decide as follows:

(1) If an affected contracting party decides to take action in accordance with Article XXIII, paragraph 2, it shall communicate to contracting parties and to Executive Secretary details of obligations or concessions which it proposes to suspend;

(ii) No action shall be taken to make such suspension effective for a period of 30 days from date of such communication.

3. If by expiry of this 30 day period no objection has been lodged either as to appropriateness of suspension proposed or to effect that serious damage would be caused to interests of another contracting party, contracting party concerned shall be free to put proposed suspension into effect as if the specific measure had been expressly approved in accordance with paragraph 2 of Article XXIII.

4. If objections are lodged in accordance with paragraph 2 above, contracting party proposing suspension shall enter into consultation with objecting contracting party and if a satisfactory adjustment is arrived at as a result of such consultation, shall be free to proceed to make suspension effective. If no, repeat no, satisfactory adjustment is effected in accordance with paragraph 3 above, matter shall be referred to contracting parties either at next regular

session or to a special session of contracting parties convened in accordance with rules of procedure. Text ends. Message ends.

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827. DEA/10817-A-40

Le secrétaire d'État aux Affaires extérieures
au délégué permanent auprès de l'Office européen des Nations unies

Secretary of State for External Affairs
to Permanent Delegate, European Office of the United Nations

TELEGRAM 119 Ottawa, October 28, 1952

CONFIDENTIAL

UNITED STATES IMPORT RESTRICTIONS ON DAIRY PRODUCTS

Your telegram No. 120 of October 22.

Following for GATT Delegation, Begins: We entirely concur in position you have taken in discussions with Tonkin as outlined in paragraphs 2 and 4 of your message. If Australian statement in context of debate on United States import restrictions is not formulated in general terms and could be interpreted as limiting our freedom of action regarding retaliation, you are authorized to intervene in debate to clarify Canadian position. Ends.

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828. DEA/10817-A-40

Le secrétaire d'État aux Affairs extérieures
au délégué permanent auprès de l'Office européen des Nations unies

Secretary of State for External Affairs
to Permanent Delegate, European Office of the United Nations

TELEGRAM 120 Ottawa, October 28, 1952

CONFIDENTIAL

UNITED STATES IMPORT RESTRICTIONS ON DAIRY PRODUCTS

Your telegrams Nos. 124 and 125 of Oct. 24.

Following for GATT Delegation, Begins: If you feel that further efforts to bring proposed resolution into closer conformity with our instructions are likely to be unavailing, you are authorized to support text drafted by Executive Secretary as reproduced in your message No. 125.

It has occurred to us that, although resolution prepared by Executive Secretary would not permit Canada or other affected contracting parties to take retaliatory measures without prior notice and consultation, where necessary, it does in the final analysis serve equally to safeguard Canadian interests. Since many concessions made by other contracting parties to United States are of importance to Canada, it might well be advantageous to us to have opportunity of reviewing in advance retaliatory steps which other countries propose to take in order to enable us to determine whether Canadian exports might be injured. Ends.

SECTION C

PRODUITS DE VIANDE
MEAT PRODUCTS

829. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa,] February 25, 1952

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ANIMAL CONTAGIOUS DISEASES ACT; FOOT AND MOUTH DISEASE; OUTBREAK NEAR REGINA

1. *The Prime Minister*, referring to discussion at the meeting of February 19th,[1] said the Animal Pathology Laboratory at Hull, Quebec had confirmed on February 24th that the outbreak of animal disease near Regina was foot and mouth disease. It would be necessary to make a public announcement immediately for which a draft press release had been prepared by the Department of Agriculture.

The release would outline the measures taken to prevent the spread of the disease before its exact nature was known. In addition to the quarantine and the prohibition on outward movement of livestock, all known movements prior to issue of the quarantine orders were being traced. Now that the disease had been identified, immediate action was being taken to stamp it out. This consisted of the destruction of all animals known to be infected or to have been in any way in contact with possible infection. Animals destroyed would be cremated or buried deeply. All premises known or suspected to have been contaminated would be disinfected and quarantined. Owners of livestock would be fully compensated for the value of animals destroyed. Where it was necessary to take over premises or equipment to facilitate extermination, the owners would be paid reasonable compensation. Emergency authority would be given to officers of the Department of Agriculture to take whatever action might be needed on the spot. Special measures might have to be adopted to prevent the accumulation of surplus meat products in one area while shortages prevailed in others. There might be problems connected with prices of livestock, costs of transportation and other matters that would have to be kept under constant review.

For general information the press release would add that the U.S. Department of Agriculture had been kept fully informed and that special efforts would be made to inform all farmers and others of procedures being adopted. It seemed unlikely that susceptible animals had been the carriers that had introduced the disease. It would be added that the danger of humans contacting the infection was "extremely remote". Unless the outbreak were allowed to get completely out of hand, the meat supply in Canada would not be noticeably affected. Fewer than 400 animals were presently under quarantine and likely to be slaughtered immediately. The animals were on 24 different premises, all in the Regina area.

(Draft press release, undated)[†]

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3. *The Minister of Trade and Commerce* said the most serious consequence of the outbreak might be that the U.S. border would be closed to the movement of Canadian livestock and meat. The best means of ensuring that U.S. action would not be taken on a broader basis than was necessary might be for the first move to be made by Canada. If this were agreed, enquiry might be made in Washington as to whether it would make it easier for the U.S. government to avoid restrictions if the Canadian government were to ban exports from the area from the eastern boundary of Alberta to the head of the lakes. There was little danger that the disease could have spread westward from the present contaminated area as stock did not move in that direction.

4. *The Minister of Justice* had some concern about the effect of suggesting restrictions over so wide an area. It might imply that the disease was much more widespread than it was thought to be.

5. *The Deputy Minister of Agriculture* advised that an expert of the U.S. Department of Agriculture was in Regina and fully acquainted with the situation. He thought there would be no danger of its misinterpretation. It might be desirable to have the eastern limit of the prohibited area as far east as Sudbury since meat for that area came from the West.

6. *The Cabinet*, after considerable discusssion, approved:

(a) the draft press release concerning the outbreak of foot and mouth disease in the vicinity of Regina, Saskatchewan, subject to the modification proposed by the Prime Minster;

(b) the authorization of compensation to owners of premises or equipment taken over to facilitate the extermination of the disease and the according of emergency authority as necessary to officers of the Department of Agriculture to take action that might be required to combat it; and,

(c) the proposal of the Minister of Trade and Commerce that enquiry be made of the U.S. government, through the Canadian Ambassador in Washington, as to whether it would be helpful for the Canadian government to prohibit the export from Canada of animals and meat from an area from the eastern boundary of Alberta eastward to about Sudbury.

830. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa,] February 26, 1952

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FOOT AND MOUTH DISEASE; OUTBREAK IN SASKATCHEWAN; U.S. EMBARGO

19. *The Prime Minister*, referring to discussion the previous day, said U.S. authorities were enforcing a complete embargo against all Canadian exports of cattle, sheep or other domestic ruminants, or swine, or of fresh, chilled, or frozen beef, veal, mutton, lamb, or pork. It had first been hoped that the prohibition would apply only to such animals or food products originating in the quarantined area in Saskatchewan or in some larger but still restricted area. U.S. laws, however, made the full embargo mandatory. Section 1306 of the U.S. Tariff Act of 1930 (Chapter 4 of the Customs Duties) read as follows: "If the Secretary of Agriculture determines that rinderpest or foot and mouth disease exists in any foreign country, he shall officially notify the Secretary of the Treasury and give public notice thereof, and thereafter, and until the Secretary of Agriculture gives notice in a similar manner that such disease no longer exists in such foreign country, the importation into the United States of cattle, sheep, or other domestic ruminants, or swine, or of fresh, chilled, or frozen beef, veal, mutton, lamb, or pork, from such foreign country, is prohibited."

He suggested that consideration might usefully be given to the negotiation with the United States of a treaty governing restrictions, for health reasons, on movements of domestic animals and foodstuffs between the two countries. Under the Ogdensburg Agreement the border had, in effect, been obliterated for certain purposes that required handling on a continental rather than a national basis. Possibly some similar approach could be worked out.

20. *The Minister of Trade and Commerce* thought it might be preferable to clear up the outbreak of foot and mouth disease in Saskatchewan before attempting to negotiate an international instrument along the lines suggested.

21. *The Minister of Finance* did not expect too serious consequences to result from the U.S. embargo provided it were not maintained for more than two or three months. If the United States prohibition against certain Canadian exports was maintained for any much longer period, the consequences fromm a balance of payments point of view alone might be serious.

22. *The Minister of Resources and Development, as Acting Minister of Agriculture*, said the press had been enquiring why the Deputy Minister of Agriculture had not been sent to Washington immediately as originally contemplated. He proposed to reply that since U.S. laws made a complete embargo against all Canadian exports of certain livestock and foodstuffs mandatory no immediate purpose would be served by Mr. Taggart visiting

Washington. First priority was being given to domestic measures required to eradicate the disease before any approach was made to the U.S. government with a view to a relaxation of the prohibition against Canadian exports.

23. *The Cabinet*, after considerable discussion:

(a) noted the Prime Minister's report on the legal position in the United States with respect to livestock and foodstuffs emanating from foreign countries in which foot and mouth disease existed;

(b) agreed that, until such time as the current outbreak of foot and mouth disease had been eradicated or brought definitely under control in Canada, no negotiations be entered into for an agreement or treaty with the United States on restrictions for health reasons on movement of livestock and foodstuffs between the two countries, although study might be given in the interim to such an approach;

(c) agreed that a suitable reference be included in the Speech from the Throne to the recent outbreak of foot and mouth disease and to the measures being taken to circumscribe and eradicate it and to protect the Canadian economy generally; and,

(d) approved the reply proposed to be made by the Acting Minister of Agriculture to enquiries why the Deputy Minister of Agriculture had not proceeded immediately to Washington as had originally been contemplated.

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831. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa,] March 7, 1952

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FOOT AND MOUTH DISEASE; PURCHASE OF PORK

8. *The Prime Minister* said the Minister of Agriculture had reported that, as a result of the United States and provincial embargoes on movement of hogs and pork, marketing had become unmanageable on the basis of the present method of price support. Further measures were needed to maintain prices at the authorized level and to preserve stability in the hog market. The Minister, accordingly, had submitted a recommendation to Council that authority be granted to the Agricultural Prices Support Board to purchase pork in any form at a price equivalent to 26 cents per pound for warm dressed carcasses basis Toronto and Montreal.

Copies of the submission were circulated.

(Minister's submission, Mar. 6, 1952 — Cab. Doc. 81-52)†

9. *The Minister of Trade and Commerce* pointed out that instructions had been sent to Trade Commissioners to report on the possibility of selling Canadian pork and meat products abroad. It seemed probable that sales might be possible to the U.S. Army, for Korean relief and in South American

markets. Until these possibilities were known he thought it was not desirable to take specific action to buy all types of pork as proposed. He also doubted the desirability of having more meat canned if sales would be more difficult in that form.

10. *The Minister of Finance* believed that the immediate problem was one of storage capacity. Purchasing by the government, other than of canned pork which could be moved into dry storage, would not affect it. He would be opposed to a general policy of buying until it was known what disposal would be made of the meat.

11. *Mr. St. Laurent* suggested it might be desirable to have an interdepartmental committee keep under consideration measures to meet the economic consequences of the outbreak of foot and mouth disease.

12. *The Cabinet*, after discussion, agreed that:

(a) decision be deferred on the recommendation by the Minister of Agriculture that the Agricultural Prices Support Board be authorized to purchase pork in any form at a price equivalent to 26 cents per pound for warm dressed carcasses basis Toronto and Montreal; and,

(b) the Secretary arrange that economic matters relating to the outbreak of foot and mouth disease be kept under consideration by a committee to include representatives of the Departments of Agriculture, Finance, Trade and Commerce and External Affairs.

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832. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa,] March 25, 1952

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BEEF AND PORK; PRICE SUPPORT

16. *The Minister of Agriculture*, referring to discussion at the meeting of March 11th, 1952,† reported that, with the loss of practically all external markets for meat and livestock, there would undoubtedly be a substantial surplus of beef and pork which could not be consumed in Canada. It was estimated that, for the balance of 1952, the surpluses would be 90 million pounds of beef and 80 million pounds of pork. If no further action were taken to relieve the situation, it seemed likely that prices would drop to still lower levels, resulting in panic marketing by farmers which in turn might bring about a general collapse of livestock prices.

It was recommended, therefore, that, until the U.S. embargo was removed or for one year (whichever period was the longer):

(i) the present arrangement on hogs be continued; and

(ii) Canadian packers be informed that the government would assume financial responsibility for beef in storage, provided such beef had been purchased by the packers at a price based upon $26.00 a hundred weight for good steers at Toronto and Montreal (with appropriate price differentials for other qualities and at other markets).

He further reported that the possibility of arranging a switch under which Canadian beef would be provided to the United Kingdom to release Australian and New Zealand meat to be sold in substitution in the United States was currently under discussion with U.K. authorities.

An explanatory memorandum was circulated.

(Minister's memorandum, March 24, 1952 — Cab. Doc. 102-52;† memorandum, Secretary to the Cabinet to Prime Minister, March 24, 1952)†

17. *The Prime Minister*, referring to discussion at the meeting of March 7th, 1952, said it might be advisable to have this proposal examined and reported upon by the Interdepartmental Committee on External Trade Policy before a final decision were reached.

18. *Mr. Gardiner* said he had no objection to the committee reviewing the proposal provided a report was submitted to Cabinet before the end of the week.

19. *The Minister of Trade and Commerce* questioned the desirability of fixing floor prices at such high levels. He thought, offhand, that lower prices might be a greater inducement to producers to hold back livestock rather than the higher prices suggested.

20. *The Cabinet*, after discussion, deferred decision on the beef and pork price-support proposal put forward by the Minister of Agriculture pending examination and report, before the end of the week, by the Interdepartmental Committee on External Trade Policy.

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833. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa,] March 27, 1952

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ECONOMIC EFFECTS OF FOOT AND MOUTH DISEASE; PRICE SUPPORT FOR BEEF

1. *The Prime Minister*, referring to discussion at the meeting of March 25th, 1952, said the Interdepartmental Committee on External Trade Policy had now submitted a report on the proposal that price support for beef be instituted. The committee recommended that officials go to London immediately to see if an arrangement could be worked out under which Canadian meat could be delivered to the United Kingdom in exchange for Australian and New Zealand meat to be released by the United Kingdom for delivery to the U.S. market. The committee felt the level at which price support

should be established depended to a large extent on what the prospects were of disposing of beef.

As to the basis of support, the committee recommended that, instead of establishing a price for a long forward period, the method of support should be through a price that would be adjusted, probably on a weekly basis, in some fixed relation to the Chicago price. In so far as a normal differential could be established, it appeared to be one in which Toronto prices were about $5.50 per hundred pounds below the comparable Chicago price. In a policy to meet the situation it would be reasonable to enlarge the differential to something like $6.00 or $7.00 per hundred pounds.

The committee recommended that no definite announcement as to any level of support be issued until the results of the U.K. discussions were known. Any announcement before that should be limited to a statement that the government would be instituting a plan to support the market for beef; that the basis of support would be related to the Chicago price and would vary with it; and that the differential between the Chicago price and the support price would depend in part on the likelihood of being able to dispose of Canadian beef and on the clearing up of the domestic position now complicated by provincial embargoes.

. . .

9. *The Cabinet*, after considerable discussion, agreed that:

(a) officials of the Departments of Agriculture and Trade and Commerce proceed to London as soon as possible to discuss the possibility of concluding an arrangement as recommended under which Canadian meat would be delivered to the United Kingdom in exchange for Australian and New Zealand meat to be released by the United Kingdom for delivery to the U.S. market;

(b) in any discussion with the provinces before further decisions were taken, no commitment be made as to the basis on which support would be given for beef by the government, and,

(c) decision be deferred to a subsequent meeting on action to be taken to support the price of beef.

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834. PCO

Extrait des conclusions du Cabinet
Extract from Cabinet Conclusions

TOP SECRET [Ottawa,] April 22, 1952

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PORK; PRICE SUPPORT AND GENERAL POLICY

10. *The Prime Minister*, referring to the discussion at the meeting of March 31st, 1952, said the Interdepartmental Committee on External Trade Policy had submitted a further report on the pork position. Hog marketings since January 1st had exceeded those of 1951 and in the weeks until the end of June it was expected that there would be a surplus of from 205,000 to 260,000 hogs.

This was the equivalent of 15 to 20 million pounds of canned pork or 25 to 32 million pounds of Wiltshire sides. The authorization to can 20 million pounds of pork had been exhausted. As of April 1st there were 11 million pounds more meat in cold storage in Canada than on the same date in 1951. If no extra beef whatever was added to storage it was estimated that all space would be filled with pork before May 1st.

Discussions were under way in the United Kingdom about a triangular arrangement for an exchange of meat. It seemed doubtful whether any pork could be disposed of but this should be known shortly. Export outlets were limited by present Canadian prices. The support price was now well above the U.S. price of pork. The conditions stated in the announcement of February 14th as justifying a reconsideration of the support price were now present.

As to the form in which to hold the pork coming to market, there was no case for adding to the supply of pork cuts. If pork could be disposed of to the United Kingdom, it would be desirable to put Wiltshire sides into cold storage. However, unless pork could be moved in some form the only resort would be a further canning programme.

It was for consideration whether the government should not start to take its losses on the canned pork programme by pushing the pork into consumption, both domestic and foreign, at competitive prices. The pork could not be sold at a price that would cover its cost. Government institutional buying should be directed toward it. There was a possibility, although not a good one, that some of the pork might be disposed of to the U.S. army or Korean relief if prices were reduced. However, it seemed that such possibilities would not meet much of the problem. Consideration might be given to discusson with the U.K. government about providing the meat needs of the United Kingdom and Canadian forces in Germany. Possibly such an arrangement could be related to the current discussions with the United Kingdom as to whether Canadian barrack and other requirements were to come out of the U.K. share of German contributions to European defence.

Copies of the report had been circulated.

(Secretary's memorandum, April 21, 1952 — Cab. Doc. 122-52)[†]

11. *The Minister of Agriculture* said the facts of the position were substantially as outlined in the report. He thought it undesirable, however, to reach any decisions on policy until the results were known of the discussions currently underway in London. If pork could not be disposed of by a triangular arrangement there would probably have to be consideration of a plan to give some of it away. There should be authorization to take pork in the form of Wiltshire sides and a recommendation for such authority was submitted.

12. *The Minister of Finance* agreed that it might be desirable to hold off decisions until the results of discussions with the United Kingdom were known. He was strongly of the view that the support price for pork should be considered and adjusted downward.

13. *The Minister of Trade and Commerce* said there were a number of pork products that could be exported to the United States if prices were right. Canned hams could be disposed of in that way.

14. *The Cabinet*, after considerable discussion:

(a) agreed that decisions on support price for pork and future policy in relation to pork be deferred until the results were known of discussions currently under way in the United Kingdom for a triangular arrangement for the exchange of meat; and,

(b) approved the recommendation of the Minister of Agriculture that the pork price support programme be extended to fresh frozen Wiltshire sides at a price equivalent to 26 cents per pound for warm dressed carcasses basis Toronto and Montreal; an Order-in-Council to be passed accordingly.

(Order-in-Council P.C. 2359, April 22, 1952)

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835. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa,] April 30, 1952

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MEAT; PROPOSED EXCHANGE ARRANGEMENT WITH THE UNITED KINGDOM AND NEW ZEALAND; PORK CANNING AUTHORIZATION

1. *The Minister of Agriculture* reported that discussions with United Kingdom and New Zealand representatives for a 3-way exchange arrangement for meat had now been completed. It appeared that 50 million pounds of beef could be exchanged for the same amount of New Zealand beef and 10 million pounds of pork for New Zealand pork. The New Zealand representatives had indicated that to make the plan acceptable to their producers they would have to participate in the difference between the U.S. price for their meat and the U.K. contract price, plus freight, duty and selling charges. They had originally suggested that they ought to receive 50 percent in dollars. The Canadian representatives had proposed either 25 percent in dollars or, alternatively, that Canada provide the United Kingdom with additional meat equivalent to 50 percent and that the United Kingdom pay New Zealand agreed values in sterling. There might have to be room for negotiation on the participation arrangement. There would be a substantial loss for Canada in the deal. Our meat f.o.b.[115] Canadian seaboard would cost about 48 cents per pound. New Zealand beef would sell in the United States at about 32 cents. There was thus a loss of about 16 cents a pound there, plus an estimated 8 cents for freight, duty and selling charges, making 24 cents without any New Zealand participation. On a 25 percent basis the participation would work out to about 3 cents per pound and on a 50 percent to 6 cents. The total loss would thus be 27 cents or, more probably, 30 cents a pound. This would amount to $15

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[115] Free on Board.

million on 50 million pounds. For pork the loss would work out to about 10 cents a pound on 10 million pounds or $1 million.

The Interdepartmental Committee on External Trade Policy had discussed the arrangement and, while the losses were severe, had come to the conclusion that, in the circumstances, it could only recommend that the arrangement ought to be accepted. At the same time, if alternative markets could be found for Canadian beef at any price over roughly 20 cents a pound such an arrangement would be better than the 3-way deal. Consequently, if possible, there should be no firm commitment to provide 50 million pounds of beef and other markets should be sought immediately and while the exchange progressed.

The Committee had pointed out that canned pork could not sell at 64 cents a pound. It suggested that the government might absorb the cost of canning (12 cents) and offer the canned pork to packers at 52 cents.

Copies of the report had been circulated.

(Secretary's memorandum, April 29, 1952 — Cab. Doc. 134-52)†

2. *Mr. Gardiner* said that with storage now full and with an urgent need to dispose of some of the surplus meat he thought the exchange arrangement would have to be accepted. It would also be necessary to remove pork from cold storage by doing more canning. He recommended that purchase by the Agricultural Prices Support Board of an additional 15 million pounds be authorized over the 20 million pounds already covered.

3. *The Minister of National Revenue* suggested that, in effect, the arrangement would amount to subsidizing consumption of Canadian meat abroad to the extent of $16 million. The government would have to explain why it was doing that and at the same time leaving the domestic price of meat at its present high level. He thought that many families were holding back on meat consumption because of the cost. It would be desirable, if possible, to see what lower prices might do for domestic consumption.

4. *The Prime Minister* pointed out that the loss on the proposed arrangement amounted to a subsidy on only 50 million pounds of beef, which was a very small fraction of domestic consumption. Any reduction of prices to increase domestic use would have to be on all meat. If support prices were withdrawn the market might fall to a point at which producers would suffer severe losses. An overall subsidy would be costly and difficult to operate but it should be feasible to make canned pork available at reduced prices. If that were done the cut in prices for export sales might be more acceptable.

5. *The Minister of Agriculture* said that, if support prices were withdrawn and meat prices allowed to find their own level, there would be very disparate situations in different parts of Canada. The provincial controls would result in relatively high prices in Manitoba and probably in British Columbia and Quebec. Prices in Saskatchewan and Alberta would fall sharply. It would not be inconceivable that beef in Alberta might fall to about 15 cents a pound. A general subsidy on meat would be administratively impossible. So far as the reduction in the price of canned pork was concerned, it might cut somewhat

into consumption of fresh pork. It could, however be attempted if it seemed desirable.

6. *The Minister of Trade and Commerce* thought the arrangement with the United Kingdom and New Zealand had to be accepted but that at the same time something should be done that would be helpful domestically. The most feasible policy seemed that of reducing the price of canned pork. This could be done either by absorbing canning costs and making the pork available at 52 cents or by going further and offering it at 50 cents. It seemed improbable that export markets would be found for any substantial quantity of meat but all possibilities should continue to be investigated.

7. *The Secretary of State for External Affairs* felt that, as Canadian troops in Korea were eating meat from U.S. sources, it should be possible at least to get the U.S. army to accept Canadian meat to the amount equivalent to that consumed by the Canadian troops. It might be worthwhile taking this up at a high level in Washington.

8. *The Cabinet*, after considerable discussion:

(a) agreed that the Canadian representatives in the discussions with the United Kingdom and New Zealand be authorized to say that the Canadian government would be prepared to enter into an arrangement for the exchange of meet along the lines proposed and that the government would agree to New Zealand participation in the price margin involved in the sale of New Zealand beef in the United States on the basis either of 25 percent payable in dollars or 50 percent payable to the United Kingdom in the form of meat with agreed values to be paid to New Zealand in sterling; the representatives to try to arrange for an agreement without any firm commitment for delivery of a specified quantity of beef and to be authorized to negotiate alternative arrangements for the calculation of New Zealand participation;

(b) agreed that the Department of Agriculture consider immediately arrangements to allow canned pork held by the government to be offered to packing houses and others for sale in Canada at a price that would involve the government absorbing canning costs of 12 cents per pound and possibly additional amounts; and,

(c) approved the recommendation of the Minister of Agriculture and agreed that the Agricultural Prices Support Board be authorized to purchase an additional 15 million pounds of canned pork; an Order-in-Council to be passed accordingly.

(Order-in-Council P.C. 2536, April 30, 1952)†

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836. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa,] June 5, 1952

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SURPLUS CANADIAN MEATS FOR ALLIED TROOPS IN KOREA

5. *The Minister of National Defence,* referring to discussion at the meeting of April 22nd, 1952 said that, under U.S. law, it would not be possible for Congressional appropriations to be used for the purchase of Canadian or any other foreign foods for use by U.S. troops. However, it was thought probable that a scheme might be worked out under which Canada would supply canned and other Canadian meats to Allied troops other than U.S. in Korea, and be reimbursed by a reduction in maintenance charges payable in respect of Canadian troops in Korea by an equivalent amount.

6. *The Cabinet,* after discussion, noted with approval the report by the Minister of National Defence on the suggested arrangement for the supply of surplus Canadian meats to Allied troops, other than U.S., in Korea.

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837. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa,] June 18, 1952

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SURPLUS CANADIAN MEATS; PROPOSED SUPPLY TO CANADIAN AND COMMONWEALTH FORCES IN KOREA

18. *The Minister of National Defence,* with reference to his report at the meeting of June 5th said discussions were held in Washington on June 12th, and 13th with U.S. Army officials to consider the supply of Canadian meat to the Korean theatre during the period of the meat emergency in Canada. Mr. Pace, Secretary of the Army had confirmed in writing the arrangements arrived at in Washington.

It was agreed that Canada could supply Canadian forces in Korea with their meat requirements and the value of such meat, to be determined by the cost of equivalent quantities had they been secured in the United States during the contract period in which shipment was made, would be excluded from the charge for rations from the U.S. Army to the Department of National Defence. The Agricultural Prices Support Board would charge the Department of National Defence for the cost of the meat or for the amount of the deduction from the U.S. account, whichever was the lower. Meat requirements for Canadian forces in the Korean theatre would amount to 100,000 pounds monthly.

It had also been agreed that there would be no objection to Canada making similar arrangements in respect of the meat requirements of the Korean forces of other Commonwealth countries. The meat so supplied by Canada would be deducted from the capitation charges on such Commonwealth countries. Negotiations were under way to ascertain whether suitable operating and financial arrangements could be made with Commonwealth countries in this respect. The monthly meat requirements of Commonwealth forces other than Canadian would total 226,000 pounds.

19. *The Minister of Agriculture* said the arrangement under which New Zealand meat was being diverted to the United States and replaced on the U.K. market by Canadian meat was not preceeding any too satisfactorily and it would therefore be very useful if arrangements could be completed as soon as possible along the lines mentioned by the Minister of National Defence, for the supply of Canadian meats to Commonwealth forces in the Korean theatre of operations.

20. *The Cabinet*, after discussion, noted with approval the report by the Minister of National Defence on arrangements made with the United States for the supply of Canadian meats to Canadian and other Commonwealth forces in the Korean theatre of operations.

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838. DEA/11485-A-40

Le secrétaire d'État aux Affaires extérieures
au haut-commissaire en Australie

Secretary of State for External Affairs
to High Commissioner in Australia

TELEGRAM Air-11 Ottawa, June 20, 1952

CONFIDENTIAL

CANADIAN MEAT FOR COMMONWEALTH FORCES IN KOREA

1. Discussions have recently taken place with United States Secretary of the Army regarding supply of Canadian meat to Korean theatre during period when exports to United States are subject to embargo. United States has agreed that Canada will procure and ship meat in quantities to meet needs of Canadian forces in theatre. This amounts to 100,000 pounds monthly and arrangements will be made retroactive to at least April 1, 1952. United States has also agreed that Canada could supply meat in quantities required for other Commonwealth forces serving in Korea amounting to an additional 226,000 pounds monthly.

2. With respect to supply for other Commonwealth forces, Canada would have to make necessary arrangements with Commonwealth countries concerned. If these arrangements can be agreed upon, United States would reduce capitation or other charges to Commonwealth countries in the amount of cost of meat which United States has thus far been supplying.

3. Commonwealth countries concerned are United Kingdom, Australia and New Zealand. These countries participate in Commonwealth Korean operations pool for which Australia is administrative authority.

4. We should like you to raise this matter with appropriate Australian authorities as one of urgency and obtain their approval for Canada entering

into necessary arrangements with United States to undertake to supply this meat from Canadian sources. Meat would be supplied at no additional cost to that of equivalent supplies from United States sources. Financial settlement with Commonwealth countries would be made in accordance with principles agreed upon for other maintenance through Commonwealth pool. Meat would go through United States supply channels and detailed arrangements regarding inspection would be worked out with United States authorities. We would like to have this arrangement also made retroactive to at least April 1, 1952.

5. Canadian Government has purchased large quantities of Canadian meat to avoid disruption in livestock industry and these purchases are now filling almost all available storage space in Canada. It is therefore important that arrangements with Commonwealth countries be concluded as rapidly as possible since we should wish to start shipping meat within the next few weeks. Would you, therefore, bear in mind desirability of reaching agreement on this matter without delay so that detailed arrangements can be worked out immediately.

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839. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa,] June 26, 1952

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BEEF: PRESENT SUPPLY POSITION; PLANS FOR DISPOSITION

9. *The Minister of Agriculture* reported that inspected slaughterings of cattle in Canada from January 1st to May 3rd were lighter than in 1951. The price in Toronto on June 21st was above the support price — $26.50 as compared with $25.00. To June 28th, 33,184,743 pounds of beef had been bought for shipment to the United Kingdom under the tripartite exchange arrangement. Of this, 11,357,758 pounds had been shipped. It appeared that the total amount available for diversion from New Zealand would be 60.5 million pounds rather than 80 million pounds as originally estimated. This would probably take care of things until about October.

10. *The Minister of National Defence* said he had reported on June 18th on his discussions with the U.S. Secretary of Defense about supplying meat to Canadian forces in Korea. The United States had indicated that they would be prepared to have Canada supply meat to other Commonwealth forces as well. Aides memoire on this matter had been given to Lord Alexander and Mr. Menzies and the High Commissioner in Canberra had been directed to take the question up with those in charge of the pool for the financing of supplies to the Commonwealth forces in Korea. He had also discussed with Lord Alexander the possibility of having Canadian forces in Europe supplied with Canadian meat rather than with meat from the United Kingdom. He had

pointed out that it would reduce the strain on U.K. meat supplies. Lord Alexander had said that it would involve a dollar question but that he would have it looked into.

11. *The Cabinet* noted the reports of the Minister of Agriculture on the beef position and of the Minister of National Defence concerning the possibility of supplying meat to Canadian and Commonwealth forces in Korea and to Canadian forces in Europe and agreed that discussions of possible arrangements be continued.

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840. DEA/11485-A-40

Le haut-commissaire en Australie
au secrétaire d'État aux Affaires extérieures

High Commissioner in Australia
to Secretary of State for External Affairs

TELEGRAM 60 Canberra, July 2, 1952

CONFIDENTIAL. IMPORTANT.

CANADIAN MEAT FOR COMMONWEALTH FORCES IN KOREA

Reference: Your Air No. 11 of 20th June received 26th June.

Australian authorities have verbally assured us of their approval of your proposed plan for supply of meat from Canadian sources.

Because of urgency, this will advise that you may proceed to make necessary arrangements accordingly.

2. Confirmation in writing of this verbal undertaking is expected momentarily but it is certain to confirm your proposed sale.

841. DEA/11485-A-40

Extrait du télégramme du haut-commissaire en Australie
au secrétaire d'État aux Affaires extérieures

Extract from Telegram from High Commissioner in Australia
to Secretary of State for External Affairs

TELEGRAM 61 Canberra, July 3, 1952

CONFIDENTIAL

CANADIAN MEAT FOR COMMONWEALTH FORCES IN KOREA

Reference: My telegram No. 60 of July 2nd.

Written confirmation states Australian Government has no, repeat no, objection to this proposal on understanding that no change will be involved in the agreed proposal for supply and that fresh meat portion of the rations will continue to be handled through the United States supply channel.

2. Letter also states ceiling settlement with Commonwealth countries will be made through Commonwealth Korean operational pool account of which Australia is administrator in accordance with proposal agreed upon for maintenance through Commonwealth pool.

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842. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa,] August 6, 1952

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MEAT; . . . ACCESS TO THE UNITED STATES MARKET

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4. *The Secretary of State for External Affairs* reported that, in accordance with the decision of the Cabinet of July 31st, 1952,† the Embassy in Washington had been instructed to raise with the U.S. government the question of removing the embargo on the importation of Canadian animals and products. There had been discussions on August 4th with the Acting Secretary of Agriculture and officials. The results were not encouraging. The Acting Secretary had stated only that the matter would be given sympathetic consideration. The Assistant Chief of the Bureau of Animal Industry had indicated that the matter had not been given any real thought up to the present. He had pointed out that foot and mouth disease could lie dormant and undetected for many months and then spring up again. There were thus technical reasons to wait for some time. There was also pressure by U.S. producers, whose livelihood was dependent on inter-state shipment of livestock which would cease should a case of foot and mouth disease be discovered in their state. This was added cause for great caution. Altogether it appeared unrealistic even to hope that the Secretary of Agriculture would consider declaring Canada free of foot and mouth disease at any early date after August 19th.

5. *The Minister of Agriculture* said the report was not too encouraging but it had to be expected that an attitude of caution would be expressed at the present time. He thought that the end of the calendar year was the earliest that could be counted on for opening the U.S. border but it was possible it might take place as early as November 30th. He did not believe there was any risk that the U.S. market would still be closed in the summer of 1953.

6. *The Cabinet*, after considerable discussion:

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(d) noted the report of the Secretary of State for External Affairs that the reaction of United States authorities in discussions in Washington had not been optimistic about the possibility that the U.S. market would be opened to Canadian animals and products in the near future.

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843. PCO

Extrait des conclusions du Cabinet
Extract from Cabinet Conclusions

TOP SECRET [Ottawa,] December 4, 1952

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U.S. EMBARGO ON CANADIAN ANIMALS AND ANIMAL PRODUCTS; DATE OF LIFTING

1. *The Minister of Agriculture* referred to the announcement that the U.S. embargo on Canadian animals and animal products would be raised on March 1st, 1953. The date was later than had been hoped and he had arranged to go to Washington to see whether it might not be possible to get it advanced. He read a draft letter to the U.S. Secretary of Agriculture. The letter would state that, while the Canadian government had been pleased to learn of the decision to lift the embargo and realized the need for a time between the decision and the actual opening of the border, they were disappointed that the interval was so long. The letter would refer to the need of feeders in the New England area for feed stuffs from eastern Canada and to the interest of dairy farmers in the United States in replenishing their herds from surplus Canadian dairy stock. It would also refer to the desirability of spreading the inflow to the U.S. of the backlog of slaughtered cattle over the winter and early spring months. While decision as to the date could be made only by the U.S. government, it was hoped that a date earlier than March 1st might be possible.

2. *The Acting Prime Minister* said it had been indicated that the United States would require cattle or meat from the formerly infected area to be passed by a veterinary before being admitted to the United States. It might help if an undertaking could be given that no animals or animal products from that area would be exported to the United States.

3. *Mr. Gardiner* believed there would be no difficulty about such a limitation. A smiliar undertaking could be given with regard to hay and feed. Following his return from Washington it would be desirable to discuss several matters relating to the opening of the border and its effect on the meat position.

4. *The Cabinet*, noted the report of the Minister of Agriculture concerning his visit to Washington and agreed that a letter be transmitted to the Secretary of Agriculture in the terms submitted to urge that the U.S. embargo on Canadian animals and animal products be raised at a date earlier than March 1st, 1953.

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844. PCO

Extrait des conclusions du Cabinet
Extract from Cabinet Conclusions

TOP SECRET [Ottawa,] December 10, 1952

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UNITED STATES EMBARGO ON CANADIAN ANIMALS AND ANIMAL PRODUCTS; DISCUSSIONS IN WASHINGTON

31. *The Minister of Agriculture,* referring to discussion at the meeting of December 4th, said he had discussed with the Secretary of Agriculture of the United States the possibility of advancing the date on which the United States embargo on Canadian animals and animal products would be lifted. The original intention of the United States authorities had been to have the embargo lifted before the present Administration went out of office. It turned out, however, that the earliest the formal measures could be initiated was December 19th or 20th, which would make the actual lifting January 19th or 20th. It was thought that that might be criticized and, consequently, the later date had been set. Mr. Brannan now proposed to discuss the matter with the Secretary of Agriculture-Designate, Mr. Benson, and, if he agreed, to advance the date of lifting to something like the original schedule. If a lifting around January 20th was not agreeable, February 1st or February 15th would be considered. At worst, the date would be the present one — March 1st.

He had spoken to Mr. Brannan about the desirability of admitting hay from eastern Canada for feeders in the New England States. Mr. Brannan agreed that special measures ought to be taken and, subject again to the agreement of Mr. Benson, he would try to have admission made possible immediately.

The original intention of the United States authorities had been to have special provision against the admission of animals and meat from the entire province of Saskatchewan. It had been explained that this would be almost impossible to administer as most of the live-stock from northern Saskatchewan was marketed through Winnipeg. He thought the difficulties had been understood, and that an attempt would be made to eliminate the special provision.

32. *The Cabinet* noted with approval the report of the Minister of Agriculture concerning his discussions with the United States Secretary of Agriculture relating to the date of lifting the United States embargo on Canadian animals and animal products.

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SECTION D

SITUATION FINANCIÈRE DES REVUES CANADIENNES
FINANCIAL POSITION OF CANADIAN MAGAZINES

845. PCO

Note pour le Cabinet

Memorandum to Cabinet

CONFIDENTIAL Ottawa, July 10, 1952

FINANCIAL POSITION OF NATIONAL CANADIAN MAGAZINES

On March 19 the Prime Minister and the Minister of Finance received a delegation from the Magazine Publishers Association of Canada which submitted a brief concerning the financial position of national Canadian magazines. The substance of the brief was that the financial position is precarious and becoming increasingly so, and that unless some relief is found continued publication may become financially impossible. The brief pointed out that Canadian magazines are an important instrument in the development and dissemination of Canadian culture, as was recognized by the Massey Commission, and that their increasing difficulties are mainly due to the competition of American magazines. These, owing to their very much larger circulation can be produced on more favourable terms. The brief particularly directed attention to the effects of the development of "Canadian editions" of American magazines such as *Reader's Digest* and *Time*. These editions secure a substantial amount of Canadian magazine advertising, which is one of the principal sources of revenue for Canadian magazines. The brief recommended:

(e) That a specific duty, as well as sales tax, be charged on imported magazines carrying Canadian advertising.

(b) That the exemption from duties and sales tax on paper, engravings, art work, ink, etc., accorded to Canadian periodicals should be confined to publications where editorial content (space devoted to non-advertising matter) is 75% or more of Canadian origin. (This would exclude "Canadian editions".)

(c) That all magazines printed and published in Canada be granted a statutory postal rate of 1½ cents per lb. in Canada, with no distinction between local and non-local delivery and that this rate be granted only to those publications with 75 per cent or more Canadian editorial content.

The brief was referred to the Interdepartmental Committee on External Trade Policy. The Committee had an economic survey of the position of Canadian magazines made by the Department of Trade and Commerce which substantially confirmed the representations in the brief as to their financial position. So far as the recommendations in the brief were concerned the Committee were of the view that they either presented difficulties that were too serious to enable them to be adopted or, in some cases, that they would not be effective in aiding the Canadian magazines. It was finally concluded that only two means were available to the government of providing any measure of assistance:

(a) to have greater public attention drawn to the national Canadian magazines through programmes and commentaries on the C.B.C. with the hope thereby of raising their circulation; and,

(b) to give some financial help through directing a larger amount of government advertising to them.

So far as the first is concerned, the Chairman of the C.B.C. has indicated that they think it would be feasible to arrange some commentaries or programmes so that attention would be directed from time to time to national magazines. Details are being worked out.

The total of government advertising expenditures and its allocation is shown in the attached table. In 1952 Canadian government advertising amounted to $4,723,000 of which $382,000 or 8 per cent went to Canadian magazines and Canadian editions of American magazines combined. In 1953 government advertising had dropped to $4,311,000 but the share to Canadian magazines and Canadian editions had dropped much more sharply to $195,000 — about 4½ per cent. While it would not be possible to do anything very substantial through directing government advertising to Canadian magazines, even a relatively modest amount might be quite important in the marginal financial condition of many of the magazines. *The Committee accordingly recommend* that, without increasing the overall amount of government advertising, additional advertising to the total of $100,000 per year be directed to national Canadian magazines rather than to other media. This diversion should not include "Canadian editions" of U.S. magazines.

The diversion could be effected by having a directive sent to the departments with the largest expenditures on advertising informing them of the government's desire. It would then be for the departments to take action individually to divert a part of their advertising. The departments most concerned, with their advertising expenditures for 1953, are the following: National Defence ($2,186,000), Resources and Development ($1,103,000), Finance ($481,000), Labour ($240,000), Citizenship and Immigration ($134,000), Post Office ($120,000), R.C.M.P. ($79,000), Trade and Commence ($44,000), National Revenue ($43,000).

J.W. PICKERSGILL

[PIÈCE JOINTE/ENCLOSURE]

Tableau des dépenses

Table of Expenditures

TOTAL GOVERNMENT ADVERTISING EXPENDITURES
(thousands of dollars)

	Fiscal years ending March 31	
	1952	1953
Radio	834	846
Publicity Pamphlets	533	506
Filmstrips and Films	152	130
Posters	115	106
Trade Publications	25	36
Daily Newspapers:		
(a) Canadian	1131	889
(b) American	230	325
(c) Overseas	0	10
Weekly Newspapers:		
(a) Canadian	451	358
(b) American	54	0
Week-end Newspapers (Can.)	202	306
Magazines:		
(a) Canadian		
(b) Time Reader's Digest (Canadian Editions)	382	195
(c) American	561	541
(d) Overseas		2
(e) Service Magazines	53	61
TOTAL	4723	4311

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846. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa,] July 15, 1952

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CANADIAN MAGAZINES; FINANCIAL POSITION

18. *The Prime Minister* referred to the interview he and the Minister of Finance had had on March 19th with a delegation from the Magazine

Publishers Association of Canada, at which time a brief was submitted on the financial position of national Canadian magazines. The brief had been referred to the Interdepartmental Committee on External Trade Policy for consideration and report.

The Committee was of opinion that most of the remedies suggested by the Association were either impractical or would not achieve the results desired. The Committee concluded that there were only two means available to the government of providing some measure of assistance.

The first would involve calling the public's attention to national Canadian magazines through programmes and commentaries on the C.B.C. network with the hope thereby of raising their circulation. The Chairman of the Canadian Broadcasting Corporation had indicated that this could be done and details were now being worked out.

The second measure would involve diverting a larger amount of government advertising to Canadian magazines of general character. This diversion would not include Canadian editions of U.S. magazines such as *Time* and *Reader's Digest*. It was noted, in this latter connection, that Canadian government advertising in 1952 amounted to $4,723,000 of which $382,000, or 8 percent, went to Canadian magazines and Canadian editions of U.S. magazines combined. In 1953, government advertising had dropped to $4,311,000 but the share to Canadian magazines and Canadian editions had dropped much more sharply to $195,000, or about 4.5 percent.

An explanatory note had been circulated.

(Memorandum Secretary to the Cabinet, July 10, 1952 — Cab. Doc. 213-52)

19. *The Cabinet*, after discussion, noted the Prime Minister's report on the financial position of national Canadian magazines and agreed that:

(a) an effort be made to increase the circulation of national Canadian magazines by arranging with the Canadian Broadcasting Corporation to provide programmes and commentaries calling the public's attention to them; and,

(b) without increasing the overall amount of government advertising, additional advertising to the total of approximately $100,000 per annum be directed to national Canadian magazines rather than to other media; it being understood that this diversion would not include Canadian editions of U.S. magazines and that the departments with the largest advertising programmes (National Defence, Resources and Development, Finance, Labour, Citizenship and Immigration, Post Office, Royal Canadian Mounted Police, Trade and Commerce and National Revenue) be directed to carry out this diversion on a more or less *pro rata* basis.

SECTION E

ATTRIBUTION DES CANAUX DE TÉLÉVISION
ASSIGNMENT OF TELEVISION CHANNELS

847. DEA/11422-40

Note du contrôleur des Télécommunications pour le directeur des services de l'air

Memorandum from Controller of Telecommunications to Director of Air Services

Ottawa, April 3, 1952

UNITED STATES-CANADA TELEVISION ARRANGEMENT 587401

MEMORANDUM TO THE DIRECTOR OF AIR SERVICES

1. The problem of providing for the future of Television in Canada resulted, as the first definitive action, in a meeting held in February 1948 in Washington. The purpose of this meeting was the drafting of an allocation plan for the assignment of television channels along the Canada-United States border. This first provisional plan was predicated on the best technical information available at that time but the engineers who were responsible for the negotiations were not altogether satisfied with the geographical separations provided by the plan. The Federal Communications Commission decided to investigate these technical aspects at greater length and initiated a series of television hearings. In the meantime the draft plan served to establish Canada's position with regard to future television allocations.

2. In the latter part of June 1949 a further meeting was held in Washington to discuss television channel allocations and the original draft plan was reviewed in the light of current technical knowledge. Consideration was given at that time to the possible use of ultra-high frequencies to augment the very limited number of very high frequency television channels. Although this meeting produced a revised plan, it was generally felt that this plan was merely an interim document subject to review when the status of the art had been better established.

3. In March 1951 a meeting was held in Ottawa and a plan drafted for both VHF and UHF which appeared to be consistent with the best technical information available and the known requirements of industry for television facilities. The United States procedure for handling these matters required, however, that the plan drafted by this meeting pass through what is known as the F.C.C. rule making procedure in which industry has an opportunity to comment. The hearings under the F.C.C. rule making procedure were closely followed by Canadian engineers so as to get the best possible information on the status of the art.

4. Upon conclusion of the F.C.C. hearings on television a further meeting was held in Chicago March 31st and April 1st, 1952, for the purpose of correlating the conclusions reached by the F.C.C. as a result of their hearings and the

requirements of Canada for television service. In attendance at this meeting were Mr. P. Walker, Chairman F.C.C., Mr. R. Hyde, Commissioner, F.C.C., Mr. C. Plummer and Mr. H. Copperthwaite, F.C.C., Mr. Browne and Mr. Smith of the Department of Transport and Mr. Santo of the Canadian Broadcasting Corporation.

5. The March 1951 allocation plan was found to be basically quite satisfactory with the exception of one or two minor changes affecting Canada. One of these changes involved the assignment of channel 12, formerly assigned to Chilliwack, B.C. to Bellingham, Washington, and the assignment of channel 3 to Chilliwack. This change made no appreciable difference to the Canadian allocation picture but did allow for the assignment of one more channel in the Washington area. Two additional UHF channels, numbers 68 and 78 were obtained for the Hamilton area.

6. A number of changes in the United States picture were discussed but in practically all cases these changes had little or no effect on the Canadian allocation structure. In those cases where Canadian coverage would, in any way, be jeopardized, the Canadian delegation protested and the F.C.C. withdrew their proposals. In two cases, namely Wheeling, West Virginia and Green Bay, Wisconsin the proposed United States changes technically encroached somewhat on the coverage of future Canadian assignments but in each case the interference areas either lay outside of Canada or in unpopulated areas so the Canadian delegation agreed to these changes.

7. In view of the fact that Canada has at the present time no television stations in operation and only two under construction, i.e. Montreal and Toronto, and the United States have a large number of stations already in operation and have been active in this field for many years, it is felt that the drafting of a television allocation plan for the Canada-United States border area which assures the future of television in Canada, has been extremely worthwhile. The F.C.C. have been most co-operative in the preparation of this allocation plan and have also co-operated with Mexico in drafting a similar plan for the United States-Mexico border regions.

8. A draft text of an (U.S. draft) agreement between the United States and Canada for the assignment and utilization of television channels along the common border has been prepared and will, in due course, be sent through the diplomatic channels so that the document, the letters of transmittal and acknowledgment will form an exchange of notes between the respective Governments. A draft of the text is appended hereto.†

9. Engineering recognition was given to the use of off-set carriers as a means of obtaining better service and minimizing inter-station interference. The actual off-sets are not indicated in the tables since these are primarily matters to be worked out by the allocation engineers as assignments are made. It is expected that many of the off-sets can be worked out in advance and it is the intention of the F.C.C. and our own engineers to get together in the near future towards this end.

10. It may be noted that the geographical separations in Canada between stations on the same and adjacent channels are somewhat greater than the corresponding separations in the United States. The reason for these differences is the fact that Canadian metropolitan centers are generally much farther apart and consequently much of the rural areas will obtain only fringe service, and it was felt that by keeping inter-station interference to an absolute minimum this fringe service could be made much more useful. Furthermore, it is doubtful if Canadian economics could stand the strain of establishing and operating the large number of TV stations contemplated in the United States planning. It therefore appears logical to arrange for the maximum possible exploitation of each Canadian assignment by keeping the geographical separations as wide as possible.

11. The F.C.C. are particularly anxious to obtain Canadian approval of this arrangement at technical level so that they may advise their industry. The long delays which have been necessary through the F.C.C. hearing procedures has caused considerable concern in the United States industry. Furthermore, it would be in Canada's interests to have our position established. It is therefore recommended that approval be obtained of the work done and the agreement reached as set forth in the appended documents so that the more formal ratification by exchange of notes can take place in due course. The Canadian Broadcasting Corporation are in full accord with the details of this arrangement as set forth.

G.C.W. BROWNE

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848. PCO

Extrait des conclusions du Cabinet

Extrait from Cabinet Conclusions

TOP SECRET [Ottawa,] May 20, 1952

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ASSIGNMENT OF TELEVISION CHANNELS; U.S.-CANADA BORDER

18. *The Minister of Transport* said negotiations had been carried on between U.S. and Canadian representatives on the assignment of television channels between 54 and 890 megacycles within an area of 250 miles on either side of the border between the United States and Canada. The negotiations had resulted in a satisfactory arrangement and a draft agreement had been prepared. It was recommended, with the concurrence of the Secretary of State for External Affairs, that the agreement be accepted.

An explanatory memorandum had been circulated.

(Minister's memorandum, May 19, 1952 — Cab. Doc. 152-52)†

19. *The Cabinet* approved the recommendation of the Minister of Transport and agreed that the Secretary of State for External Affairs be authorized to advise the U.S. Ambassador of the acceptance by Canada of the terms of the

draft agreement for the assignment of television channels on the U.S.-Canada border and to complete the exchange of notes to give effect thereto.[116]

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3e PARTIE/PART 3

LES NIVEAUX D'EAU DES GRANDS LACS : BARRAGE GUT
GREAT LAKES WATER LEVELS: GUT DAM

849. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa,] March 28, 1952

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GREAT LAKES WATER LEVELS:
PROPOSED REFERENCE TO INTERNATIONAL JOINT COMMISSION

27. *The Secretary of State for External Affairs* reported that recent high levels in the Great Lakes had given rise to complaints of damage, particularly on the shores of Lake Ontario. The main cause was heavy precipitation in the Great Lakes basin. The levels in the lakes had also been slightly increased by the Long Lac and Ogoki diversions and, in Lake Ontario, by the Gut Dam built nearly fifty years ago by Canada. This dam normally raised the level of Lake Ontario 5½ inches but, when the water was high, as much as 7¾ inches.

Those complaining in the United States had directed their attention to the Gut Dam and to the conditions under which the United States had consented to its construction. These were that, if the dam materially affected the level of the lake or caused injury to U.S. interests, Canada would undertake necessary alterations and regulatory works and that, if it caused damage to U.S. property, Canada would pay compensation. Complaints of damage on the shores of the lakes had aroused considerable attention in the United States. Several bills on the matter had gone before Congress, some requesting the President to refer the question to the International Joint Commission, and the State Department had been pressed by Congressmen for such a reference.

The United States now proposed a joint reference of the high level of Lake Ontario for study and recommendation of remedial measures. Plans for the St. Lawrence project, whether for power and navigation (as under the 1941 Agreement) or for power alone (with a Canadian waterway) were based on a "Method of Regulation" to govern the out-flow and level of Lake Ontario which had been accepted by the officials of both governments. If the 1941 agreement were not approved, the "Method" would have to be approved by the commission as inherent in the construction and operation of the project submitted for approval. The Department of Transport and the Department of Resources and Development felt that, if the commission were already embarked on a lengthy study of remedial works not exclusively concerned with the St. Lawrence development, the time when plans for the St. Lawrence project could be referred to the commission would be postponed indefinitely.

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[116] Ceci a été fait le 23 juin 1952. Voir Canada, *Recueil des Traités*, 1952, nº 13.
This was done on June 23, 1952. See Canada, *Treaty Series*, 1952, No. 13.

In the circumstances, with the concurrence of the Minister of Transport and the Minister of Resources and Development, he submitted for approval a draft reply to the U.S. government to the effect that:

(a) construction of the St. Lawrence Seaway and Power Project would mean regulation of the level of Lake Ontario on the basis of the agreed "Method", and establishment of a commission to report on the desirability of works for compensation and regulation in the Great Lakes system; and,

(b) it was already agreed to refer the St. Lawrence project, including the "Method", to the International Joint Commission for approval if the 1941 Agreement were not approved.

An explanatory memorandum had been circulated.

(Minister's memorandum, March 20, 1952 — Cab. Doc. 98-52†

28. *The Minister of National Health and Welfare* said there was flooding in the Windsor area and on Lake Erie which was likely to become worse before summer and result in increasing demands for action by the government. This condition had existed before the diversions were made into Lake Superior and recurred every fifteen years or so. In the circumstances, he felt some consideration would have to be given to the question of water level on the lakes in general.

29. *The Minister of Transport* pointed out that, under the new agreement with Ontario on power development in the international section of the St. Lawrence, the government had undertaken to do everything possible to obtain the approval of the International Joint Commission for works that would be constructed in accordance with the "Controlled Single Stage Project" which envisaged recourse to the "Method of Regulation" mentioned. Ontario would probably have to be consulted, therefore, if there were a question of a reference to the commission of the problem of levels in Lake Ontario.

His department felt that, if it became necessary, it would probably be possible to blow up Gut Dam, although the effects of such action would require careful study.

30. *The Minister of Resources and Development* said a reversal of the Long Lac and Ogoki diversions would not become fully effective for some five years and would provide no appreciable early relief on the lakes.

31. *Mr. Pearson* thought it would be advisable to try to make the proposed reply to the U.S. government more positive and to take the general position that the government would be glad to see the present problems in Lake Ontario met by implementation of the 1941 Agreement or, if that agreement were not approved, by reference of the power project to the commission.

32. *The Cabinet* after further discussion:

(a) approved the recommendation of the Secretary of State for External Affairs, concurred in by the Minister of Transport and the Minister of Resources and Development, and agreed that a reply on the question of water levels in Lake Ontario be communicated to the U.S. government along the lines of that submitted; on the understanding that the three ministers would approve any drafting changes made; and,

(b) agreed that the Minister of Resources and Development provide data on water levels in the Great Lakes for consideration at a subsequent meeting.

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850. DEA/1760-A-40

Note de la Direction de l'Amérique et de l'Extrême-Orient
au sous-secrétaire d'État par intérim aux Affaires extérieures

Memorandum from American and Far Eastern Division
to Acting Under-Secretary of State for External Affairs

Ottawa, April 16, 1952

HIGH WATER LEVELS OF THE GREAT LAKES; EFFECT OF THE GUT DAM

A suit was filed in the District Court of the District of Columbia on April 9, on behalf of landowners on the south shore of Lake Ontario seeking a mandatory injunction, directed to the Secretary of the Army, the Secretary of Defense and the Secretary of State, to accomplish the destruction or reconstruction with movable gates of that portion of the Gut Dam within the United States.

2. In concurring in the construction of the dam in 1902, the Secretary of War set forth two conditions:

> "1. That if, after said dam has been constructed, it is found that it materially affects the water levels of Lake Ontario or the Saint Lawrence River or causes any injury to the interests of the United States, the government of Canada shall make such changes therein, and provide such additional regulation works in connection therewith, as the Secretary of War may order.
>
> "2. That if the construction and operation of the said dam shall cause damage or detriment to the property owners of Les Galops Island, or to the property of any other citizens of the United States, the government of Canada shall pay such amount of compensation as may be agreed upon between the said government and the parties damaged, or as may be awarded the said parties in the proper court of the United States before which claims for damages may be brought."

Those making the complaints asked the State Department for advice as to how they should proceed in obtaining redress from the Canadian Government for the damage to their property, alleged to have been caused by the Gut Dam. The State Department has informed them that the United States Government will raise no objection if they wish to present their claims directly to Canadian officials for their consideration. (Under Title 18, Section 953 of the U.S. Code, a citizen of the United States may not, without authority, carry on correspondence with any foreign government or any officer or agency thereof.)

3. The United States Embassy has informed us that those making the complaints state that they are ready to present claims to the Canadian Government. The Embassy has informally asked for advice as to the proper channel through which the claims may be sent to the Canadian Government direct by those making the complaints. For the moment, at least, attention has been centered on the Gut Dam, constructed and maintained by the Department of Transport, but the diversions made by the Province of Ontario may also be drawn into the attempts to obtain redress.

4. The second condition set forth by the Secretary of War in concurring in the construction of the Gut Dam would appear to require that an attempt be made to settle claims by direct negotiations between those claiming redress and the Canadian Government. The normal approach of a U.S. citizen to the Canadian Government might be through the Canadian Embassy in Washington but we should, perhaps, avoid inviting the presentation of claims to the Embassy. On the other hand, the State Department appear to have avoided becoming a channel of communication in this particular respect and the only other course would seem to be to have the claims addressed direct to the Department of Transport.[117]

G. COX

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851. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa,] April 30, 1952

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HIGH WATER LEVELS IN THE GREAT LAKES; REFERENCE TO INTERNATIONAL JOINT COMMISSION

39. *The Secretary of State for External Affairs*, referring to discussion at the meeting of March 28th, 1952, submitted a revised draft reply to the U.S. government's request that the question of high water levels on the Great Lakes be referred to the International Joint Commission. The draft note, as revised, indicated that the government was prepared to concur in the suggested reference to the International Joint Commission on the understanding that the reference would be drafted in such a manner as not to delay, in any way,

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[117] Notre copie du document porte la mention manuscrite suivante :
The following was written on this copy of the document:
If our Embassy in Wash[ington] is used as a channel for documents it will involve the Embassy in a great deal of detail work. Claims should be submitted to us by U.S. Embassy in Ottawa with whom we are in direct touch & from where we can easily & quietly get any additional data we may need. How the claims reach U.S. Embassy (i.e. through the State Dept. or otherwise) is a matter for the U.S. H.O. M[oran]

consideration and approval of the application on the St. Lawrence development project when submitted.

An explanatory note had been circulated.

(Minister's memorandum, April 26, 1952 — Cab. Doc. 133-52)†

40. *The Minister of Transport* pointed out that it now seemed possible that concurrent applications in respect of the St. Lawrence development project might be filed with the International Joint Commission in a few weeks' time. In the circumstances, it might be preferable to postpone our reply to the U.S. request regarding water levels until such time as the St. Lawrence applications had actually been submitted to the Commission.

41. *Mr. Pearson* thought it would be politically and otherwise undesirable to withhold any longer Canadian concurrence in the reference of the high water levels problem. The draft reply to the U.S. request, however, might be reworded to make it unmistakably clear that the St. Lawrence application would have priority consideration by the International Joint Commission even if submitted later than the high water levels reference.

42. *The Cabinet*, after discussion, approved in principle the draft reply to the U.S. government's request for reference of the high water levels problem on the Great Lakes to the International Joint Commission subject to revision along the lines suggested by the Secretary of State for External Affairs and clearance with the Minister of Trade and Commerce and the Minister of Transport.[118]

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852. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa,] June 19, 1952

. . .

WATER LEVELS ON THE GREAT LAKES; REFERENCE TO THE INTERNATIONAL JOINT COMMISSION

1. *The Secretary of State for External Affairs* referring to discussion at the meeting of April 30th, 1952, said the United States Embassy had submitted a draft of the proposed reference to the International Joint Commission on the high water level of Lake Ontario. The draft had been revised and put in a form to ensure that the Commission would neither delay consideration of the St. Lawrence project nor entertain a discussion of alterations in the project as a result of the present reference. The U.S. government was desirous of having the reference submitted to the Commission as soon as possible. It was recommended that the draft be approved.

An explanatory memorandum had been circulated.

(Minister's memorandum, June 16, 1952 and attached draft reference to the International Joint Commission — Cab. Doc. 189A-52)†

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[118] Note diplomatique X-138, 8 mai 1952./Note X-138, May 8, 1952.

2. *The Minister of Transport* felt it would be desirable, if at all possible, to have the reference on the St. Lawrence project reach the Commission first. The present reference might be held up a few days to see if the other could be made ready.

3. *The Cabinet* approved the recommendation of the Secretary of State for External Affairs and agreed that a reference be made to the International Joint Commission, in the terms submitted on the high water level of Lake Ontario; submission of the reference to be deferred for a few days and that on the St. Lawrence project to be presented first if at all possible.

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853. PCO

Extrait des conclusions du Cabinet
Extract from Cabinet Conclusions

TOP SECRET [Ottawa,] June 25, 1952

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INTERNATIONAL JOINT COMMISSION; . . .
REFERENCE RE WATER LEVELS IN LAKE ONTARIO

. . .

2. *The Secretary of State for External Affairs* reported that a statement had been made in Congress that day on the U.S. reference to the International Joint Commission on water levels in Lake Ontario. In the circumstances, he suggested that the Canadian reference, the terms of which had been approved by Cabinet on June 19th, be forwarded immediately to the Commission and that a public statement be made pointing out that the Canadian government had agreed to refer this question on the express condition that the joint applications on the St. Lawrence project, if and when submitted, would take priority over consideration of the Lake Ontario water levels reference.

3. *The Cabinet* after discussion,

. . .

(b) agreed that the Canadian reference to the International Joint Commission on water levels in Lake Ontario be forwarded to the Commission immediately and that a public statement be made, as suggested by the Secretary of State for External Affairs, to the effect that the reference was made on the express condition that the joint applications on the St. Lawrence project, if and when submitted, would take priority over the reference in question.[119]

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[119] Voir Ministère des Affaires extérieures, communiqué de presse, nº 39, 26 juin 1952.
See Department of External Affairs, Press Release, No. 39, June 26, 1952.

854. PCO

Extrait des conclusions du Cabinet
Extract from Cabinet Conclusions

TOP SECRET [Ottawa,] July 31, 1952

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ST. LAWRENCE PROJECT; REMOVAL OF GUT DAM

26. *The Acting Prime Minister* said that at hearings held in Rochester, New York, on July 22nd on the Lake Ontario water levels reference to the International Joint Commission vehement representations had been made in favour of the removal of the Gut Dam. This dam had been constructed in 1904 by the Canadian government between two islands in the St. Lawrence River just below Prescott, Ontario and it would be recalled that at the time of construction, Canada undertook to indemnify any U.S. residents who suffered injury as a result thereof and to construct any remedial works if required to do so by the U.S. Secretary of State for War. During the course of the Rochester hearings, opposition to the power project was threatened if Canada did not cooperate in the removal of the dam. At the end of the hearings the U.S. section of the Commission pressed the Canadian section for an immediate interim recommendation under the water levels reference for removal of the dam.

General McNaughton, the Chairman of the Canadian section had suggested to the Counsel for Canada on the St. Lawrence power application that the Canadian government might at this time consider a unilateral offer to remove the Gut Dam. This proposal had been considered by an ad hoc committee comprising representatives of the departments most immediately concerned. As there was some likelihood that an awkward request might be forthcoming from the United States to remove the dam, in which event Canada would have no alternative but to comply with the request, and with a view to facilitating early approval of the St. Lawrence application by the International Joint Commission, it was recommended that General McNaughton be authorized to inform the U.S. section that instructions had been given to the appropriate Canadian agencies to ascertain as quickly as possible whether the dam could be removed in advance of the construction of the power project without injury to navigation, to the power project itself or to downstream power and other interests. It would seem that removal would have to take place progressively in order to avoid the danger of serious flooding in the Lachine and other areas downstream. It was further recommended that an engineering committee comprising representatives of the government of Canada and of the Provinces of Ontario and Quebec be established immediately to consider and report on the possibility of removing the dam and on the manner in which such removal might take place.

A draft letter from General McNaughton to the Chairman of the U.S. Section of the International Joint Commission was submitted.

An explanatory memorandum was circulated.

(Memorandum, Privy Council Office, July 30, 1952, Cab. Doc. 226-52)[†]

27. *The Secretary of State for External Affairs* generally favoured the suggestion regarding early removal of the Gut Dam but thought that the letter proposed to be sent by General McNaughton to Senator Stanley might usefully be modified in certain respects.

28. *Mr. Howe*, said the Minister of Transport, after consultation with General McNaughton and Mr. R.A.C. Henry, had recommended that the National Research Council be asked to build a model which would be required to ascertain the effects that removal of the dam might have particularly regarding flooding and navigation.

(Memorandum, Minister of Transport, to Acting Prime Minister July 29, 1952)[†]

29. *The Cabinet*, after discussion,

(a) agreed in principle that an early start be made on the removal of the Gut Dam providing this could be done without injury to navigation, to the proposed development of power in the International Rapids Section or to power and other interests downstream;

(b) agreed that the Chairman of the U.S. Section of the International Joint Commission be informed of this decision, it being understood that the Secretary of State for External Affairs would revise the proposed letter to Senator Stanley in consultation with General McNaughton; and,

(c) agreed that an engineering committee comprising representatives of Canada, Ontario and Quebec be established immediately to consider and report on the possibility of removing the dam and the manner in which such removal should take place.

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855. DEA/1760-A-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis

Secretary of State for External Affairs
to Ambassador in United States

TELEGRAM 2001 Ottawa, October 11, 1952

CONFIDENTIAL

WATER LEVELS OF LAKE ONTARIO; EFFECT OF GUT DAM

1. When Vallance[120] of the State Department was in Ottawa this week he mentioned that new suits had recently been entered in the Court of Claims in

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[120] Bureau du conseiller juridique, département d'État.
Office of Legal Adviser, Department of State.

Washington against the United States Government, claiming damages as a result of the effect of the Gut Dam on the level of Lake Ontario.

2. Without arousing any unnecessary interest in the matter, would you please endeavour to find out, informally, the nature and extent of these claims and when they are likely to be heard by the Court of Claims.

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856. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa,] October 15, 1952

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ST. LAWRENCE DEVELOPMENT PROJECT; LAKE ONTARIO WATER LEVELS; REMOVAL OF GUT DAM

42. *The Minister of Transport,* referring to discussion at the meeting of August 27th[121] reported that Mr. H.W. Lea, whose services had been retained for the purpose, had now submitted an interim report on the practicability of removing the Gut Dam at an early date. Mr. Lea's preliminary conclusions were to the effect that it was not practical to attempt to remove the Dam by blasting, that it should be removed progressively, that it was doubtful whether any part could be removed this year although some preparatory work could be done and that early removal would not cause any objectionable increase in water levels downstream nor any serious disturbance to navigation although there would be some changes in currents and velocities above the entrance to the Galop Canal. Mr. Lea thought that if removal was to be completed in one open water season (and this should probably be between August 1st and December 15th) the total cost might be approximately $300,000. If the work was to extend over two seasons, the cost would be much greater and might reach a figure of $500,000.

The Chairman of the Canadian Section of the International Joint Commission was rather disturbed by Mr. Lea's suggestion that it would be impracticable to consider removal before the autumn of 1953. General McNaughton feared that it might be difficult, if not impossible to secure an Order of Approval for the St. Lawrence project from the International Joint Commission unless something more positive was done towards removal before freeze-up this year. He felt confident that if he were authorized to state that the Canadian government was prepared to remove at least a portion of the dam this year, an Order of Approval would probably be issued by the International Joint Commission before the end of October.

If any work was to be done this autumn there would not be time to call for tenders and it would probably be necessary to select a contractor on a cost-plus basis.

43. *The Prime Minister* noted that several claims for damages caused by high waters along the shores of Lake Ontario had been filed in the United States

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[121] Voir le document 790./See Document 790.

Court of Claims at Washington. In view of the terms of the 1904 Canada-U.S. Agreement respecting the Gut Dam, Canada might be faced with the obligation of paying substantial damages if the Court of Claims upheld the damage suits now lodged with it.

In the circumstances and in order to ensure early action by the International Joint Commission on the St. Lawrence power application, it might be advisable to authorize General McNaughton to state at the October 20th hearings of the Commission that the Canadian government was hiring a contractor immediately to undertake early removal of the Dam.

44. *Mr. Chevrier* mentioned that the Secretary of State for External Affairs had suggested that, in view of the above damage claims, there might be some advantage in asking Mr. Lea to undertake a study of the actual effects of the Gut Dam on Lake Ontario water levels. If, as anticipated, such a study revealed that the Dam had very little if any effect, Mr. Lea's report in this matter should be filed as soon as possible with the U.S. Court of Claims.

45. *The Cabinet*, after further discussion, agreed that,

(a) the Minister of Transport retain immediately the services of a competent contractor to undertake early removal of the Gut Dam and that General McNaughton be authorized to state that this was being done at the October 20th final hearings of the International Joint Commission on the St. Lawrence power application; and,

(b) Mr. H.W. Lea be requested to review and report as soon as possible on the actual effects of the Gut Dam on Lake Ontario water levels.

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857. DEA/1760-A-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-2494 Washington, October 17, 1952

CONFIDENTIAL

WATER LEVELS OF LAKE ONTARIO

Reference: EX-2001 of October 11.

1. The State Department have already sent to the United States Embassy at Ottawa copies of the suits which have been entered recently in the Court of Claims, for transmission to the Department and to the I.J.C. The suits involve a request by about seventy-nine property owners for indemnification by the United States Government for damage caused to property as a result of the effect of Gut Dam on the level of Lake Ontario.

2. Mr. Vallance, with whom we later spoke about this matter, said that he had instructed the Embassy at Ottawa to suggest that the Department might

wish to have someone participate on the side of the defendants in the litigation, or take some other action to help bring about a dismissal of the suits.

3. Vallance said that normally cases are not heard for two or three months after submission, but in this instance, he thought the plaintiffs would make an effort to have the case treated as a priority item. The plaintiffs are disturbed by the fact that if the dam is not removed this fall, their property will again be flooded next spring. The claims might be taken up, therefore, within four to six weeks. We were promised a copy of the suits, but since you are to receive the documents from the United States Embassy in Ottawa, we shall not transmit our copy unless you so indicate.

4. There is another suit which was entered in Northern New York State a day or two ago. This suit asks for the outright removal of the dam. According to Vallance, it requests authority for local officials to remove the dam at the expense of Canada.

5. Vallance also has information that Kenneth Keating (Republican representative for Rochester, New York), intends to introduce in the House in January a Bill to require the removal of the Gut Dam.

6. In our letter No. 848 of April 10,† we summarized the suit filed in the United States District Court at that time, in which the plaintiffs sought a mandatory injunction directing the Secretaries of the Army, Defence, and State to destroy or reconstruct the portion of the Gut Dam in the United States. On looking up the docket at the District Court, we have found that on July 1, 1952, Judge David A. Pine ordered the case dismissed. A summary of his opinion is being forewarded by bag.†[122]

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858. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa,] October 23, 1952

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ST. LAWRENCE PROJECT; REPORT ON FINAL HEARINGS OF INTERNATIONAL JOINT COMMISSION; PROPOSED EXCHANGE OF NOTES WITH THE UNITED STATES ON EARLY REMOVAL OF THE GUT DAM

5. *The Minister of Transport* reported on the final hearings of the International Joint Commission on the joint applications for power development in the International Rapids Section of the St. Lawerence River held at Washington on October 20th.

Although it had been expected that these hearings might be fairly lengthy and rather difficult, they had in fact lasted less than one day. Very little serious opposition had been voiced to the project although property-owner associations from both the U.S. and Canadian shores of Lake Ontario had again attempted at some length to establish that the Gut Dam was largely responsible for damage to the property of riparian owners along the shores of Lake Ontario. The Canadian position in this matter was rendered more difficult because of the fact that Senator Stanley, the Chairman of the American Section of the International Joint Commission, had during the course of the final hearings, as on several previous occasions, concurred in the view that much of the damage could be attributed directly to the Dam. Senator Stanley had even indicated privately that he would not agree to an Order of Approval being handed down until after the Canadian government had taken action to remove the Dam. He had since, however, somewhat modified his position although it was not unlikely that the Order of Approval might contain a condition providing for early removal of the Dam. It now seemed probable that the International Joint Commission would issue its Order of Approval in the very near future.

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[122] Voir le document suivant./See following document.

Although it had been reported earlier that, even if work were to be put under way immediately, only part of the Gut Dam could be removed this year. The Canadian engineers who have been studying this matter now were inclined to the view that it might be possible to continue work on the project even after freeze-up on the St. Lawrence. If the project were undertaken in the near future it was thought that removal might be completed by February 1953. The Canadian Dredge and Dock Company of Kingston was now engaged in the preparation of detailed plans in this connection.

There were two matters which should be considered in anticipation of early approval of the power application by the Commission. The first was whether the 1941 Great Lakes-St. Lawrence Basin Agreement should be denounced by Canada following approval. He felt such a course of action might advantageously be followed although the matter should probably be discussed by the Secretary of State for External Affairs with the Secretary of State of the United States to ensure that Canadian withdrawal from the 1941 Agreement at this time would in no way jeopardize the successful conclusion of hearings soon to be undertaken by the U.S. Federal Power Commission on the St. Lawrence power development project. Consideration should also be given to the desirability of having Canada represented by counsel at the forthcoming Federal Power Commission hearings on the St. Lawrence power application. Ontario Hydro was anxious that Canadian interests should be protected by active intervention before the Federal Power Commission and he felt that this had perhaps best be done by counsel representing Canada rather than the province or the Hydro-Electric Commission. It was difficult at this stage to forecast how long it would be before the Federal Power Commission concluded its hearings on the project. The view was held in several U.S. quarters that the hearings would doubtless give rise to protracted litigation in the courts and that for this and other reasons the Federal Power Commission would in all probability not be in a position to issue a licence for some considerable time, if at all. There were others, including Senator Stanley and the U.S. Ambassador to Canada, who felt that the Federal Power Commission would, in all probability, be in a position to issue a licence some time before the spring of 1953.

6. *The Prime Minister* said that several claims for damages attributed to the Gut Dam amongst other causes had been filed with the U.S. Court of Claims at Washington. In view of the terms of the agreements reached between Canadian and U.S. authorities in 1903 and 1904 respecting the Dam, it seemed likely that Canada would be under obligation to pay damages if the claims now lodged with the U.S. Court of Claims were upheld. Consequently if the Dam no longer served any useful purpose, it seemed desirable to make every effort to have it removed at the earliest possible date.

7. *The Minister of Citizenship and Immigration* suggested that before the Dam was removed, every effort be made to collect accurate engineering and other evidence as to the actual effects of the Dam on the levels of Lake Ontario. Such evidence might in future be used to advantage in refuting claims for damages.

8. *Mr. Chevrier* pointed out that Mr. H.W. Lea, whose services had been retained to consider how the Dam could be removed without injury to other interests, had now been asked to review and report on the actual effects of the Dam on the outflow and water levels of Lake Ontario. It was hoped that Mr. Lea's report in this matter would indicate that the Dam had very little if any effect on Lake Ontario levels.

He added that Mr. R.A.C. Henry was of opinion that the present high water levels on Lake Ontario were in many respects comparable to the high water-level period between the years 1860 and 1875. It could reasonably be expected that the present high levels would continue for several years, perhaps 5 or 6, in which event removal of the Dam now would have no injurious effect on navigation. If, however, extremely low water levels were to occur after removal of the Dam and prior to completion of the power and seaway project, it might be necessary for ships using the Galop Canal to reduce tonnage. In view of all the other circumstances, this seemed to be a calculated risk well worth taking.

9. *The Prime Minister* said that since removal of the Dam might affect the natural level or flow of the River within the meaning of the Boundary Waters Treaty of 1909, prior agreement would have to be sought from the U.S. Government. This might be achieved by an Exchange of Notes between the two Governments.

An explanatory memorandum and draft note had been circulated.

(Memorandum, Acting Secretary of State for External Affairs, Oct. 22, 1952 — Cab. Doc. 341-52)†

10. *Mr. St. Laurent* thought that, before the Note was delivered to the U.S. Ambassador to Canada it might with advantage be examined carefully by the Department of Justice to ensure that it would not in any way jeopardize Canada's chances of resisting successfully the various claims for damages now lodged with U.S. courts.

11. *The Secretary* said that one of the main purposes of the Note was to withdraw from the position taken in an earlier Note sent to the U.S. Embassy

in October 1951 in which it had been admitted specifically that the Gut Dam did have the effect of increasing the levels of Lake Ontario by several inches.

12. *The Cabinet*, after discussion,

(a) noted the report by the Minister of Transport on the final hearings of the International Joint Commission held at Washington on October 20th on the application for power development in the International Rapids Section of the St. Lawrence River.

(b) agreed that a Note be sent to the U.S. Ambassador to Canada seeking the concurrence of the U.S. Government in early removal of the Gut Dam; the Department of Justice to ascertain before despatch of the Note that it was in such terms as not to jeopardize a successful defence against the various claims for damages now lodged with U.S. courts;[123] and,

(c) agreed that Canada be represented at forthcoming hearings of the U.S. Federal Power Commission on the application of the New York State Power Authority for the development of power in the St. Lawrence River and at proceedings of the U.S. Court of Claims on damage suits now lodged with that Court; the Secretary of State for External Affairs to take the steps required to arrange for such representation.

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859. DEA/1760-A-40

Le secrétaire d'État aux Affaires extérieures à l'ambassadeur des États-Unis

Secretary of State for External Affairs to Ambassador of United States

No. X-262 Ottawa, November 4, 1952

The Secretary of State for External Affairs presents his compliments to His Excellency the Ambassador of the United States of America and has the honour to refer to the Note of the Department of External Affairs of February 27, 1952 (No. X-51), and to previous correspondence concerning the level of Lake Ontario, and in particular to the effect of the Gut Dam.

Examination of this dam and studies of its effect on the level of Lake Ontario and of the downstream effects of its possible removal, have led to the conclusion that the dam can be removed now without causing damage to other interests involved and equipment is in fact now being moved to the site to begin work on removal.

In the Department's Note under reference, some statements were made based on calculations of what was considered to be the possible effect of the dam on the level of Lake Ontario. As a result of further study of this matter, however, additional information has come to hand which indicates that the previously calculated effect of the Gut Dam on the high water levels of Lake Ontario is greatly exaggerated. The additional information relates to the enlargement of the channel on the Canadian side of the river by dredging and to the possible effect of scouring which may have compensated in large part for the effect of the Gut Dam, especially in periods of extreme high water. Moreover, this additional information indicates that examination of other factors will be necessary.

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[123] Voir le document suivant./See following document.

The original purpose of the dam was to eliminate dangerous cross-currents and eddies in the navigation channel of the river. Any effect it may have on the level of the water has tended to compensate for the effect of the dredging undertaken in connection with the improvement of the river for navigation and for the effect of other factors tending to increase the out-flow of Lake Ontario.

On the other hand, because of the present high level of the water in Lake Ontario, it would be desirable to increase the outflow capacity of the St. Lawrence River. Although the increase resulting from removal of the dam will probably not be great, it may be sufficient to afford a measure of relief from the high water level of Lake Ontario. The dam would have to be removed, in any case, in the course of construction of the St. Lawrence project, arrangements for which now appear to be nearing completion.

In view of the above, the Canadian Government considered it desirable to make immediate arrangements for removal and this has been done. While removal of the dam may affect the level or flow of the river within the meaning of the Boundary Waters Treaty of 1909, the condition attached by the International Joint Commission, with the consent of counsel for both Governments, to its recent order of approval of the St. Lawrence Project, is presumed to eliminate the need for any further authority or approval for removal of the dam. On the other hand, the dam is situated on both sides of the international boundary and, in these circumstances, it is hoped that the United States Government will confirm that it agrees to the removal of the dam being undertaken by the Canadian Government.

L.D. WILGRESS

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860. DEA/11597-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis

Secretary of State for External Affairs
to Ambassador in United States

TELEGRAM EX-2145 Ottawa, November 6, 1952

CONFIDENTIAL. IMPORTANT.

WRIT AGAINST CANADIAN GOVERNMENT RE GUT DAM

Reference: Paragraph 4 of your Telegram WA-2494 of October 17, 1952.

Consulate General in New York sent you a copy of letter No. 866 of October 24† to us, enclosing copy of summons and complaint in civil action No. 4511 in United States District Court for Northern District of New York. Summons is returnable not later than twenty days after service.

2. I shall be grateful if you will consult the State Department as soon as convenient as to action we should take in defence. Perhaps State Department will agree to transmit to the Court a certificate to the effect that the Canadian Government cannot be sued before United States courts. Please inform us and Consulate accordingly.

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861. DEA/11597-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-2621 Washington, November 7, 1952

CONFIDENTIAL. IMMEDIATE.

WRIT AGAINST CANADIAN GOVERNMENT RE GUT DAM

Reference: EX-2145 of November 6.

Addressed External as WA-2621, repeated to Consul General, New York as No. 401.

1. On receipt of your teletype this morning, we got on to Dean Brown[124] at the State Department immediately. He has just given us the preliminary views of the legal division on this question. The legal experts claim, first, that Canada has recognized its vulnerability in a suit and has waived its immunity to be sued in the United States courts for damage to property in view of the conditions under which construction of the Gut Dam was approved. Brown referred to condition 2 of the permit of the United States Secretary of War of 1903 which states that "the Government of Canada shall pay such amount of compensation.........as may be awarded the said parties in the proper court of the United States." He also referred to the other statements quoted in the United States Embassy's note No. 64 of October 22.†

2. We said that the immediate problem seems to us to be whether the Consul-General at New York is subject to the summons served upon him by the United States District Court for the Northern District of New York. Brown's first reaction was that since we have stated that the courts could make a decision in the matter, we would not be able to refuse a summons since we would be the defendants in the case. However, Brown was not definite on this

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[124] Probablement L.D. Brown, Bureau des Affaires du Commonwealth britannique et de l'Europe du Nord, département d'État des États-Unis.
Possibly L.D. Brown, Office of British Commonwealth and Northern European Affairs, Department of State of United States.

point. He is trying to arrange for us to meet with the legal experts to discuss this question some time this afternoon.

3. Incidentally, with respect to the summons, if it had been addressed not to "Dominion of Canada" but to the Consul-General, New York, personally, as the defendant, the State Department's view would have been that the Consul-General would be liable to appear before the court. This is based on the consideration there is no consular convention between Canada and the United States and therefore Canadian consular officers in the United States have no automatic immunity from process in the United States courts. However, when we told Brown that the summons names as defendant the "Dominion of Canada", he stated that, in that case, the above consideration would not apply.

4. The above confirms telephone call to Eberts this noon. We urgently await your views which are needed for meeting this afternoon. Saturday and Tuesday are holidays and we have very little time.

5. Understand you are considering sending someone down from Legal Division for Monday but will await results of this afternoon's meeting.

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862. DEA/11597-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux État-Unis

Secretary of State for External Affairs
to Ambassador in United States

TELEGRAM EX-2155 Ottawa, November 9, 1952

CONFIDENTIAL. IMPORTANT.

GUT DAM

1. In my immediately following telegram there is included the text of a note which I would ask you to deliver as early as possible on Monday to the State Department. I understand that Tuesday is a holiday and that the time limit for service of an "answer to the complaint" upon the Plaintiffs' Attorney, Perry Rauch, 1104 State Tower Building, Syracuse, N.Y. is twenty days after October 23, the date of service of the summons. Accordingly, the answer would have to be delivered on or before Wednesday, November 12.

2. For confidential information, I may say that the draft convention entitled "Competence of Courts in regard to Foreign States" prepared by the Harvard Research on International Law contained in the Supplement to volume 26 of the *American Journal of International Law* and which is frequently regarded as an authoritative exposition of the international law on this subject, contains the following article:

"ARTICLE 20

A State shall permit another State to bring, through any specifically authorized agent, a claim of immunity in accordance with the provisions of this Convention, directly before the court for its decision. At the request of such other State, the State of the forum, without obligation to comment on the merits of such a claim of immunity, shall transmit it to the court for its decision."

3. If you should be asked if a copy of this note might be transmitted to the Court or the Plaintiffs' Attorney, or both, you should inform the State Department that we assume that they will do whatever is required by United States law to have the immunity upheld but that, subject to this assumption, we have no objection to a copy of the note being so transmitted.

863. DEA/11597-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux État-Unis

Secretary of State for External Affairs
to Ambassador in United States

TELEGRAM EX-2156 Ottawa, November 9, 1952

CONFIDENTIAL. IMPORTANT.

GUT DAM

Following is text of note referred to in my immediately preceding telegram:

1. I have the honour to refer to the action which has been commenced in the District Court of the United States for the Northern District of New York by Arthur Oster and Dorothy Oster, as plaintiffs, against the Dominion of Canada, as defendant. A copy of the complaint (No. 4511) was served on the Canadian Consul-General in New York. Since a further copy was transmitted to the Government of Canada by the Embassy of the United States in Ottawa, I assume that the text of the complaint is also recorded on the files of the State Department.

2. I am directed also to inform you that the Government of Canada recognizes in priciple its obligation to pay compensation for damages to United States citizens provided they are attributable to the construction or operation of Gut Dam in the sense of condition numbered (2) in the instruments of approval of the United States Secretary of War of August 18, 1903 and October 10, 1904. However, my Government does not consider that it has, by reason of its acquiescence in this condition or otherwise, at any time waived the sovereign immunity of Canada from suit in the courts of the United States.

3. The Canadian Government has taken note of the fact that there are a large number of claims arising out of the high water levels of Lake Ontario and that many of these claims have been asserted against the Government of the United States. It is in the common interest of United States claimants, of the United States, and of Canada that some effective arrangement be made by which all claims by United States citizens for damages arising out of the high water levels of Lake Ontario can be processed at the same time and with a minimum of effort and expense. Accordingly, the Government of Canada would be prepared to facilitate the submission of all claims to an appropriate tribunal

which would have power to determine the extent to which damage may have been caused by high water attributable to the existence of Gut Dam, as well as the quantum of damage. The Canadian Government is prepared to enter into immediate discussions with your Government for the purpose of selecting or establishing such a tribunal and the procedure to be followed.

4. I am, therefore, requested by my Government formally to ask that the sovereign immunity of Canada from suit in the domestic courts of the United States should be upheld both in regard to the above action and in regard to any other actions which any other persons may institute against Canada arising out of the construction or operation of Gut Dam.

5. I would accordingly be grateful if you would take immediate action to terminate the proceedings in the District Court, and if you would, in due course, inform me of the reaction of your Government to the foregoing suggestions.

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864. DEA/11597-40

Extrait du télégramme du secrétaire d'État aux Affaires extérieures à l'ambassadeur aux État-Unis

Extract from Telegram from Secretary of State for External Affairs to Ambassador in United States

TELEGRAM EX-2157 Ottawa, November 9, 1952

CONFIDENTIAL. IMPORTANT.

GUT DAM

Following from Erichsen-Brown for Pierce, Begins:

1. The text of the two immediately preceding telegrams was approved by the Prime Minister. On the latter's instructions, Mundell of Justice Department is flying to New York Sunday. He and Burbridge, who is now in New York, will consult attorneys in New York City.

2. Immediate objective will be to secure advice on procedure and in particular to clarify functions of the executive (State Department) and the courts on determination of sovereign immunity of a foreign state.

3. Consider it inadvisable to inform State Department that we have retained counsel, because this might lead State Department to relax efforts to take any further steps, although under international law responsibility is on State Department to do so. The purport of our note is to place onus squarely on State Department. However, the fact that counsel has been retained may have to be revealed later.

4. I was informed by Cleveland[125] of our Consulate in New York about ten days ago that the immunity of foreign states has been the subject of discussion in the consular law society of which he is a member, and that the consensus of

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[125] J.H. Cleveland, consul, consulat général à New York.
J.H. Cleveland, Consul, Consulate-General in New York.

opinion of its members is that the courts of New York State are prone to take jurisdiction if it is possible to do so. What would be particularly objectionable from our point of view would be to have jurisdiction sustained by the court and a precedent established which might result in our having to defend a large number of actions in New York State.

. . .

865. DEA/11597-40

L'ambassadeur aux État-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-2632 Washington, November 10, 1952

CONFIDENTIAL. IMMEDIATE.

GUT DAM

Reference: Your EX-2156 of November 9, 1952

Addressed External as WA-2632, repeated to Congen New York for Mr. Greene[126] and Mr. Burbridge, as No. 402.

1. The note, text of which was given in your teletype under reference, was transmitted to Dean Brown at the State Department at 9:25 a.m. this morning. Dean Brown undertook to deliver it by hand to Mr. Yingling of the Legal Division. The State Department will try to give a formal reply before Wednesday. However, if they are not able to do so, Brown undertook to inform us orally of the State Department's position on our claim to immunity from suit, before Wednesday.

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866. DEA/1760-A-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-2639 Washington, November 10, 1952

CONFIDENTIAL. IMMEDIATE.

GUT DAM

Reference: Our WA-2632, of November 10, repeated to New York No. 402.

Addressed External WA-2639, repeat Consulate-General, New York No. 404.

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[126] K.A. Greene, consul général à New York.
K.A. Greene, Consul-General in New York.

Following for Mr. Greene and Mr. Burbridge, Begins:

1. We have just been informed orally by Brown that the State Department is unable to accept our claim to sovereign immunity from suit in domestic courts of the United States in the Gut Dam case on the grounds that

(a) The conditions under which agreement to construct the dam was reached in the permits constituted a waiver of immunity on our part;

(b) Even if this were not the case, sovereign immunity cannot be claimed in any suit involving real estate. In this instance, at the time of construction of the dam, Canada purchased a few acres of ground adjoining the dam on the United States shore. The present suit for damages in New York State, therefore, is regarded as a claim involving real estate.

2. The State Department have no objection to discussing the setting up of a tribunal to determine damages. However, this will not in any way affect the rights of citizens to go to the courts independently with their claims for compensation for damages.

3. The State Department will try to send us a formal note embodying the above by Wednesday. We have given Ken Burbridge in New York an outline of the above by telephone, and are repeating this message to him.

4. Burbridge has advised us of the course which he, Mundell, and Counsel in New York have worked out. We are to receive a text of a letter to be signed by the Ambassador setting forth that we do not believe the court has jurisdiction. We are to deliver this letter to New York tomorrow, and it will be taken by Counsel to UTICA tomorrow night. We understand that our appearance will prevent judgment by default and will not prejudice our position on immunity. Ends.

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867. DEA/11597-40

Le chef de la délégation à l'Assemblée générale des Nations unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

TELEGRAM 219 New York, November 10, 1952

CONFIDENTIAL. IMPORTANT.

GUT DAM LITIGATION — UTICA, NEW YORK

Addressed Beaver No. 60, Immediate, repeated External No. 219 as Important.

Following for Pierce from Burbridge, Begins:

1. As explained in our telephone conversation this afternoon Wyatt of the legal firm of Sullivan and Cromwell here, after careful examination of our problem, has advised Mundell and myself that the best and safest course for the Canadian Government to follow at the present time is to have the Canadian Ambassador in Washington personally sign a letter to the Judges of the United

States District Court, Northern District of New York (the text of such a letter follows). This letter should be delivered to Burbridge in care of the Canadian Delegation to the United Nations at the Biltmore Hotel, New York, by a member of your staff not later than 3 p.m. Tuesday, November 11. Burbridge will arrange to have the letter given to Wyatt who will take it with him to UTICA and deliver it personally to the Judge there and also a copy to the Clerk of the Court before 4 p.m. on Wednesday, November 12. Original of letter should be accompanied by two copies.

2. For Mr. Wrong's information the Prime Minister personally instructed Mundell to consult Wyatt with Burbridge and act on Wyatt's advice to take any steps to avoid default judgment and to obtain dismissal of the action.

3. The following is the text of the letter which has been approved by the Department of Justice in Ottawa and which Mr. Wrong may wish to sign in triplicate if he approves. Text Begins:

To the Honourable the Judges of the United States District Court for the Northern District of New York:

Information has been given me that on October 23, 1952, a United States Marshal called at the office of the Canadian Consulate General in New York, New York, and left on the desk of the Consul General, in the presence of the Consul General, a copy of the summons and of the complaint in an action entitled in the United States District Court for the Northern District of New York, Civil Action No. 4511, Arthur Oster and Dorothy Oster, plaintiffs, against "Dominion of Canada", defendant.

I have the honour to represent in the United States Her Majesty, Queen Elizabeth II in right of Canada as Ambassador and I am instructed by her Majesty's Government in Canada respectfully to address Your Honours with reference to the action above described. It is likely that the designation "Dominion of Canada" as defendant is intended to refer to Her Majesty in right of Canada, but the designation is not accurate or appropriate.

Her Majesty's Government in Canada have instructed me respectfully to suggest to Your Honours that, as a sovereign and under well established principles of international law, Her Majesty in right of Canada is not subject to suit in your Honourable Court without Her consent, which consent has not been given and is not given in the action above described. There is the following averment in the complaint in the action:

"The defendant has waived any immunity from suit and has consented to be sued as hereinafter set forth." I am instructed that Her Majesty has not waived immunity from suit in your Honourable Court and has not consented to be sued in your Honourable Court, either as set forth in the complaint or otherwise. It should also be pointed out that the Canadian Consul General in New York would not in any event be a person authorized to receive writs, notices or other forms of process on behalf of Her Majesty.

The purpose of this letter is solely to invite the attention of Your Honours to a lack of jursidiction in your Honourable Court and does not in any way constitute an appearance or a submission or a consent to jurisdiction. Her

Majesty in right of Canada asserts and relies upon an immunity from suit as a sovereign and, in consequence, suggests that your Honourable Court should proceed no further in the subject action.

Respectfully submitted,

Ambassador of Canada to the United States

Text ends.

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868. DEA/11597-40

Le chef de la délégation à l'Assemblée générale des Nations unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

TELEGRAM 220 New York, November 10, 1952

CONFIDENTIAL. IMPORTANT.

GUT DAM LITIGATION — UTICA, NEW YORK

Reference: My immediately preceding teletype No. 60 to Washington, No. 219 to Ottawa.

Addressed Beaver No. 61, Immediate, repeated to External No. 220, Important.

Following for Pierce from Burbridge, Begins: For Mr. Wrong's information the procedure being followed was discussed over the telephone with Pickersgill in Ottawa as well as the outline of the text of the letter which he is being asked to sign.

2. Pickersgill fully approved both as being in accord with the Prime Minister's instructions. Ends.

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869. DEA/11597-40

Le chef de la délégation à l'Assemblée générale des Nations unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

TELEGRAM 226 New York, November 11, 1952

CONFIDENTIAL

GUT DAM LITIGATION

Reference: My telegram No. 61 of November 10 to Washington and No. 220 to Ottawa.

Addressed Beaver No. 65, repeated External No. 226.

Following for Pierce from Burbridge, Begins: Your messenger handed me the letters signed by Mr. Wrong before 3 p.m. today. Wyatt of Sullivan and

Cromwell will deliver them personally to the Judge and Clerk of the Court in Utica tomorrow. He will also explain to the Clerk cases confirming legal precedents in New York Courts. Wyatt is reasonably confident that this procedure on our part will not only have the effect of delaying action but will effectively dispose of the case on grounds of the Court's lack of jurisdiction. If there is any further action needed on our part Wyatt will let us know. It is his view that this procedure will in no way amount to a waiver of our diplomatic immunity.

2. I am most grateful to you and Mr. Wrong for your very helpful cooperation and the efficiency with which you despatched the messenger to New York. Ends.

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870. DEA/11597-40

Le chef de la délégation à l'Assemblée générale des Nations unies
au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations,
to Secretary of State for External Affairs

TELEGRAM 271 New York, November 15, 1952

CONFIDENTIAL. IMMEDIATE.

GUT DAM — UTICA LITIGATION

Addressed Ottawa No. 271, repeated Washington No. 80.

Following from Burbridge, Begins: I learned this morning from Wyatt that upon his arrival in Utica on Wednesday he found that the judge and clerk of the court were in Syracuse. He proceeded to Syracuse and handed Mr. Wrong's letter to the judge and a copy to the clerk of the court and explained orally the legal precedents objecting to the procedure on grounds of improper service and immunities. The judge assured him that he certainly would not agree to a default being entered in view of the points raised by Mr. Wyatt. This assurance was also made by the clerk of the court who stated moreover that if any further action were contemplated he, (Wyatt) would be immediately informed.

2. Wyatt informs us that he sent a full report of what happened to Mr. Varcoe[127] a couple of days ago. That report should be in Ottawa now.

3. Wyatt also got in touch with the solicitor for the plaintiff and left with him a copy of Mr. Wrong's letter. He thinks that this letter was handed to the plaintiff who probably made a statement to the press. In talking to the solicitor for the plaintiff Wyatt got the impression that he anticipated our objections particularly that relating to sovereign immunity and in view of the objections being registered he seemed inclined to take no further action. In view of this Wyatt intends to phone the plaintiff's solicitor on Monday suggesting to him

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[127] F.P. Varcoe, sous-ministre de la Justice.
F.P. Varcoe, Deputy Minister of Justice.

that in view of the commitment of the Canadian Government that it would be willing to consider claims submitted in the proper forum that he should advise his clients to take the matter up with the State Department and discontinue court proceedings. Wyatt intends to suggest this procedure to the plaintiff's solicitor unless instructed by Justice Department to the contrary.

4. Although I have not yet seen it, Cleveland informs me that there is something about this matter on page 8 of the *New York Times* of today's date to the effect that the statement of claim will be revised to include Her Majesty Elizabeth II in right of Canada as defendant. Ends.

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871. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa,] November 17, 1952

. . .

LAKE ONTARIO WATER LEVELS; CLAIMS FOR DAMAGES

24. *The Prime Minister*, referring to discussion at the meeting of October 23rd, reported that, in view of the terms of the 1903-04 agreements on construction of the Gut Dam, the U.S. State Department had been unwilling to forward, as suggested by Canada, a certificate confirming to the District Court of northern New York the sovereign immunity of Canada.

The New York legal firm of Sullivan and Cromwell had been retained to advise in this matter and, following consultation with Mr. Wyatt of that firm the Canadian Ambassador had signed a letter to the Judges and Clerk of the above Court suggesting that, in view of Canada's sovereign immunity, the Court lacked jurisdiction in respect of the claims for damages entered by Oster and Oster. After delivering the Ambassador's suggestion to the Judges and Clerk of the Court, Sullivan and Cromwell had reported to the Deputy Minister of Justice that although the case had not yet been dismissed it was unlikely the plaintiffs would be able to sign any default judgement. In any event, the Court had undertaken to keep the firm informed as to future developments.

At the same time, Sullivan and Cromwell was informing the plaintiffs' solicitor that, in view of the Canadian government's statement that it would be willing to consider claims submitted in a proper forum agreed upon by the Canadian and U.S. governments, he should advise his clients to take the matter up with the State Department and to discontinue court proceedings in northern New York.

With a view to counteracting any unfavourable reaction which the Ambassador's suggestion of lack of jurisdiction might have had, a press release had been issued the previous Saturday outlining in detail the government's position and the desirability of Canada and the United States reaching agreement on the establishment of an appropriate tribunal to dispose of the various claims as expeditiously and equitably as possible.[128]

It had been suggested by the Under-Secretary of State for External Affairs that it might now be advisable to retain counsel to advise the government generally with regard to claims of U.S. citizens for damages arising out of high water levels on Lake Ontario allegedly caused by the Gut Dam. If the general retainer of counsel (presumably Sullivan and Cromwell) was approved, the Department of External Affairs proposed, in consultation with the Department of Justice, to press the State Department for an early reply to the Canadian request for discussions on the setting up of a tribunal and to proceed with such discussions in Washington as soon as possible after consultation with Counsel.

(Memorandum, External Affairs, Nov. 17, 1952)†

25. *Mr. St. Laurent* thought counsel should be retained immediately as recommended and that the question of reaching agreement on the setting up of a tribunal to hear the various claims for damages arising in the United States should be pursued actively in view of the cases now pending in the U.S. Court of Claims at Washington and in the Court of the northern district of New York at Utica. He did not think that Canada, as a sovereign foreign power, could or should submit to the findings of ordinary domestic courts in the United States.

26. *The Cabinet,* after discussion,

(a) noted with approval the report by the Prime Minister on recent developments on the disposition of claims lodged in U.S. courts for damages allegedly attributable to the Gut Dam; and,

(b) agreed that the New York legal firm of Sullivan and Cromwell be retained to advise the Canadian government generally with regard to claims of U.S. citizens and, if required, to act in specific cases.

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872. DEA/11597-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-2684 Washington, November 18, 1952

UNCLASSIFIED. IMMEDIATE.

GUT DAM

The State Department has replied to our note No. 802 of November 10, 1952, by note dated November 17th as follows: Begins: I have the honor to acknowledge the receipt of your note No. 802 of November 10, 1952, concerning the action commenced in the district court of the United States for the Northern District of New York by Arthur Oster and Dorothy Oster, plaintiffs, against the Dominion of Canada, Defendant, for abatement of a nuisance, mandatory injunction, and damages, in connection with the construction and operation of Gut Dam.

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[128] Ministère des Affaires extérieures, communiqué de presse, nº 74, 15 novembre 1952.
Department of External Affairs, Press Release, No. 74, November 15, 1952.

You requested that Canada be recognized as enjoying sovereign immunity from suit in the courts of the United States in connection with this and other actions arising out of the construction of operation of Gut Dam.

The instruments of approval of the Secretary of War of August 18, 1903, and October 10, 1904, contain two conditions, the second of which you will recall, reads as follows:

"2. That if the construction and operation of the said dam shall cause damage or detriment to the property owners of Les Galops Island, or to the property of any other citizens of the United States, the Government of Canada shall pay such amount of compensation as may be agreed upon between the said government and the parties damaged, or as may be awarded the said parties in the proper court of the United States before which claims for damages may be brought."

It seems clear to me that the Dominion of Canada by accepting the permits with the above-quoted condition and constructing the dam pursuant thereto agreed to submit itself to the jurisdiction of the appropriate courts of the United States where suit was instituted by an American citizen for damages arising from the construction or operation of the dam. Moreover, apart from the question of waiver, I consider that the action instituted by the Osters is essentially an action involving real property located in the United States. It is a well recognized principle of international law that the doctrine of sovereign immunity has no applicability to suits involving rights or interests in or to the use of real property located in the state of the forum.

Since this appears to be an action of a kind in which a foreign government may be made a party defendant in the courts of the United States, and since, in any event, the Canadian Government has consented to be sued in cases of this nature, I regret that my government cannot comply with Your Excellency's request that steps be taken to have a suggestion of immunity made to the court.

With respect to Your Excellency's suggestion of a uniform procedure for the settlement of all claims arising out of the construction and operation of Gut Dam, I will be pleased to arrange for discussions between representatives of your government and of the United States concerning this question.

Accept, etc.

for the Secretary of State
Jack B. Tate

Ends.

873. DEA/1760-A-40

L'ambassadeur des État-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador of United States
to Secretary of State for External Affairs

No. 77 Ottawa, November 19, 1952

The Ambassador of the United States of America presents his compliments to His Excellency the Secretary of State for External Affairs and with reference to the Department of External Affairs' Note No. X-262, dated November 4, 1952, has the honor to confirm the agreement of the United States Government to the removal of the Gut Dam presently being undertaken by the Canadian Government.

In this connection, the United States Government, of course, assumes no responsibility for any expense which may be incurred in connection with the removal of the dam, nor does it waive any claims for damages on behalf of United States citizens in relation to its construction.

In order that United States ships and other interests may be informed, the Ambassador would appreciate receiving advice as to the Canadian Government's plans for removal of the dam and for completion of the work of removal.

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874. DEA/11597-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis

Secretary of State for External Affairs
to Ambassador in United States

TELEGRAM EX-2264 Ottawa, November 27, 1952

CONFIDENTIAL

GUT DAM

Reference: My telegram No. EX-2253 of November 25.†

There follows hereunder text of note which I would ask you to deliver at once to the State Department. Text of letter to Wyatt will follow by later telegram but you need not hold up delivery of the note pending its arrival. Text of note is as follows, Begins:

1. I have the honour to acknowledge your Note of November 17, 1952, concerning the action which had been commenced against Canada in the District Court for the Northern District of New York State. In this note you signified the willingness of your Government to accede to the request contained in my note No. 802 of November 10 that there be discussions between representatives of our respective Governments looking toward a uniform procedure for the settlement of all claims arising out of the construction or

operation of Gut Dam. It would be for consideration in these discussions what tribunal might be selected or established for this purpose. The Government of Canada would be prepared to send appropriate officials to Washington so that these discussions can take place immediately.

2. The Government of Canada does not accept the views set forth in your note concerning the effect of the documents of 1903 and 1904 upon the sovereign immunity of Canada from suit in United States Courts. The Canadian officials participating in the discussions will be prepared to expound our views concerning the lack of jurisdiction of United States Courts at greater length, if this should be necessary.

3. The Government of Canada desires that the discussions take place before it makes any comment upon the suggestion of the United States Embassy at Ottawa, in its Note No. 64 of October 22, 1952, that it might wish to take appropriate action in connection with the defence of the suits against the United States in the Court of Claims. Ends.

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875. DEA/11597-40

La délégation à l'Assemblée générale des Nations unies
au sous-secrétaire d'État aux Affaires extérieures

Delegation to the General Assembly of the United Nations
to Under-Secretary of State for External Affairs

LETTER No. 71 Ottawa, December 3, 1952

CONFIDENTIAL

GUT DAM LITIGATION

Mr. Wyatt of Sullivan and Cromwell has asked me to put the attached letter to Mr. Wilgress in the diplomatic bag tonight.† In his telephone conversations with me, he stated that he considered it was now in our best interest to begin discussions as soon as possible with the State Department on the establishment of some sort of tribunal or agency to deal with United States claims arising out of the construction of the Gut Dam. He said he had several telephone conversations with Messrs. Murphy and Burwell who are the Washington solicitors acting on behalf of all U.S. claimants. These lawyers are prepared and I think rather anxious to drop the New York State litigation if the State Department and our Government can agree on some procedure to deal with the claimants. They are also anxious to participate in these discussions. Wyatt feels that this would be a good thing and he also thinks that it would be desirable for him and myself to take part in the discussions in Washington. Vallance of the Legal Adviser's Office in the State Department is apparently handling this matter for the State Department. In view of my long and rather intimate association with Vallance in connection with I.J.C. matters, there may be some advantage in my taking part in the talks, at least in the opening stages. There may be other developments in Ottawa regarding this matter of which I am not aware. It seems that Wyatt has called Mundell of Justice who maintains that this aspect of the question is now a matter for our Department and not for the Department of Justice. I agree of course with this.

2. I shall await your further views and instructions before talking to Wyatt again. I do think we should not delay too long in commencing our talks with the State Department in view of our press release.

K.J. BURBRIDGE

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876. DEA/11597-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis

Secretary of State for External Affairs
to Ambassador in United States

DESPATCH L-1851 Ottawa, December 13, 1952

CONFIDENTIAL

GUT DAM CLAIM

Reference: My telegram No. 2337 of December 8, 1952.†

I would be glad if you would suggest to the State Department that the discussions take place in Washington on Wednesday or Thursday next, December 17 or 18. I suggest that your communication to the State Department should be oral and that you might call on Mr. Vallance for this purpose.

2. Our object in suggesting these dates is to remove any misapprehension that we are stalling on the holding of these discussions. There are a variety of reasons why we think that it would be much better if the discussions were to take place later. It may be that after you have talked to Vallance this view will also be shared by the State Department. However, we are prepared to proceed with the discussions on either of these dates.

3. It is possible that the State Department may wish to bring Counsel for the Plaintiffs into the discussions at some stage. In such event it would no doubt be appropriate for Mr. Wyatt of the firm of Sullivan and Cromwell (Mr. Dulles' firm) also to be present. The latter, in his letter of December 3 to Mr. Wilgress (copy of which is annexed), disclosed that Counsel for Plaintiffs desired to be present.

4. It seems clear that we could not effectively present certain arguments to the State Department in the presence of the Counsel for the Plaintiffs. These arguments may be summarized as follows:

(a) The condition of the 1903-4 agreements was foisted on the Canadian Government by arbitrary action of the United States Secretary for War. It is phrased in language inappropriate to an international instrument. It may be considered ambiguous and was certainly drafted without adequate regard to the basis upon which claims are made by one state against another on behalf of its nationals. (Note: Available files indicate pretty clearly that Canada had agreed to indemnify the owner of Galops Island but had not agreed to an omnibus clause requiring it to indemnify United States citizens at large. The condition was of course acquiesced in by Canada.) Accordingly we have a strong *moral* position in insisting that the State Department assist us in every way to secure a reasonable and possibly even a restrictive interpretation of the condition.

(b) The purpose of Gut Dam was to improve the navigation facilities enjoyed by citizens of both countries. It is unreasonable and inequitable and also inconsistent with the general practice of the two countries to have one of them shoulder full responsibility for damage resulting from a work of benefit to both countries.

(c) The Foreign Office of any state has the responsibility of protecting foreign states against violations of their immunity in domestic courts. I am annexing copy of Mr. Wyatt's letter to Mr. Jackett of December 8† and also of Mr. Burbridge's telegram No. 515† of December 12 from which you will see that Mr. Wyatt has expressed strong views of the inappropriateness of the action taken by the State Department in filing its own views in *opposition* to our claim.

(d) During the War we had a number of agreements with the United States including those dealing with the Alaska Highway which gave rise to claims by Canadians against the United States. We accepted the normal procedure in International Law by which nationals are required to exhaust their local remedies in the courts of the state against which the claim is asserted. At the present time we have under consideration the Haines Pipeline Project where the United States wishes to run the pipeline through Canadian territory. We have been discussing the claims clause and gave consideration to the desirability of our insisting that the United States submit to the jurisdiction of Canadian Courts, but decided not to do so. The policy which we have pursued in regard to claims of Canadians against the United States is in marked contrast to that of the United States Secretary of War in the case of the Gut Dam Agreement.

5. All of the observations in the preceding paragraph are in a sense "irrelevant". However, they add up to this: that we have every right to receive the utmost co-operation from the State Department. The necessary corollary is that the conduct of the State Department should not be responsive to domestic political pressures.

6. In our view the discussions with the State Department are not likely to serve a useful purpose, unless they get off on the right foot. It is essential that we break down at the outset the present disposition of the State Department to do its utmost to wash its hands of responsibility. This attitude was apparent in the observations made to Mr. Pierce that the dates suggested originally by the State Department would be appropriate if we wished to discuss claims but inappropriate if we wished to discuss immunity. We asked for the "selection or establishment" of a tribunal. This wording obviously envisaged a complete appraisal of the suitability of existing courts. (We incline to the view that there is in fact no "appropriate court" in the sense of the 1903-4 condition.) In this

connection, I am also enclosing copies of Mr. Wyatt's letters of December 6[9] to Mr. Wilgress and Mr. Burbridge. You will note that Mr. Wyatt suggested an International Tribunal and has also set forth the reasons for his opinion that the Court of Claims would be unsuitable. Some of the aspects to which he refers may render the New York Courts equally unsuitable if the initial premise is to be that there should be a fair and just appraisal of all the evidence. A jury trial would of course be rejected out of hand.

7. Returning to the question of the date for the discussions I direct your attention to the fact that Mr. Wyatt will be in Europe from December 20 to January 10. I do not know at this time whether he could go from New York to Washington on short notice to participate in discussions in the presence of Counsel for Plaintiffs, if the participation of Counsel were desired by the State Department. As you will have gathered from the foregoing there would, from our point of view, be every advantage in at least commencing the discussions on the diplomatic level only. If the discussions continued with Counsel present obviously we might be in some difficulty in getting Mr. Wyatt to attend in Washington say the day after and prior to his departure for Europe. Mr. Pickersgill suggested that our best course might be not to agree to participation of Counsel at all but to merely indicate that if the State Department were unwilling to discharge its normal responsibility to present the case on behalf of its own citizens that we would be prepared to "hear" the representations of Counsel for the Plaintiffs.

8. The distinction between "hearing" counsel and "discussing in the presence of counsel" is important. It might be difficult, without the active co-operation of the State Department, to obtain the agreement of all participating (including counsel) to a satisfactory tribunal, if we were obliged to debate all the issues in the presence of counsel. The reason is that when stating our preferences we might well confirm the plaintiffs in a determination to pull all wires to circumvent us.

9. To sum up it is our purpose:

(a) to ask you to convey our willingness to start discussions on the 17th or 18th;

(b) to give you background information with which to manoeuvre to have the discussions take place later, preferably after New Year's;

(c) to give you also information so that you can handle the question of participation of counsel if it should be raised.

P.S. If the discussions take place next week our present plan would be to have both Burbridge and Erichsen-Brown attend. It is possible, but not convenient, for the former to leave the delegation before the legal committee is finished with its work. Mundell's presence would also be desirable although not essential.

877. DEA/11597-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis

Secretary of State for External Affairs
to Ambassador in United States

TELEGRAM EX-2395 Ottawa, December 17, 1952

CONFIDENTIAL. IMMEDIATE.

GUT DAM CLAIMS

1. Burbridge has telephoned the substance of Pierce's discussions with him. We agree that it would now be impossible for Burbridge to go to Washington, also there is every advantage in having the discussions start, even although nothing is immediately accomplished.

2. Accordingly, if Mundell can take the time to accompany Pierce, it might be well for you to start the discussions without representation from Ottawa, simply to ascertain the general line of thinking of the State Department.

3. In these discussions you could state our general objective to secure a hearing before a tribunal with a judicial approach. Qualification of one of its members from an engineering point of view might be desirable. However, the prime essential is a judicial approach to complicated and technical evidence with broad experience of legal principles in the field of negligence and tort.

4. There could be no trial by jury in an action against the Crown in Canada and we understand there can be no trial by jury in an action against the United States in the Courts of the United States. It is obvious that the tribunal should not sit with a jury.

5. Subject to the foregoing, it might be advantageous to have a tribunal which could take evidence at different points, including Canada, with liberty of making on the spot inspections either at the scene of the dam, or, at a later stage if necessary, at the scene of the damage.

6. The use of the words "proper court of the United States" in the condition may be invoked by the State Department in opposition to an international tribunal. We suggest that your approach should be to indicate the essentials of a tribunal in a general way and to reserve our position completely on any questions arising out of the construction of the condition of the 1903-04 agreements.

878. DEA/1760-A-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-2927 Washington, December 20, 1952

CONFIDENTIAL

GUT DAM CLAIMS: DISCUSSIONS WITH STATE DEPARTMENT

Addressed External Ottawa as WA-2927, repeated to Mr. Burbridge Candel New York as No. 29.

We report more fully in this teletype on the discussions with the State Department about the Gut Dam claims of which we advised you briefly in our WA-2905 of December 18.

2. We opened the meeting by stating in the clearest terms we could command that our desire was to see that all legitimate claims were settled as quickly as possible on a reasonable basis. We were removing the Gut Dam and had every interest in dealing with outstanding claims as promptly as we could. We had hoped to start the talks earlier but the head of our Legal Division, who was to have taken part and who would attend future discussions, could not leave our United Nations delegation in New York. We said we wished now to explore the ground to be covered; discuss informally some of the factors involved in the adjudication of claims; and set a date for the next talks.

3. The ground to be covered was "the selection or establishment of a tribunal," in the words of our note of November 10. Such a tribunal should meet this requirement: it should provide "a judicial approach to complicated and technical evidence with broad experience of legal principles in the field of negligence and tort," in the words of your teletype EX-2395 of December 17.

4. We said we preferred a special tribunal to the courts. Both our countries and all claimants would benefit if one specified and qualified body dealt with all claims. Such a tribunal possessed many advantages over a court. It could move about, make "on-the-spot inspections either at the scene of the dam, or, at a later stage if necessary, at the scene of the damage;" and take testimony in both countries. Moreover, it could decide once and for all on issues common to all claims. Such issues were: had the Gut Dam affected the water levels of [Lake] Ontario? If so, had it caused the damage, and if it had, to what extent? Then the tribunal could proceed to process speedily the multitude of individual claims which would swamp the ordinary courts. We considered, moreover, that a special tribunal was appropriate to the relationship which now existed between our two countries. We had come a long way since 1903-04 and now dealt with our differences and our common purposes in a spirit of understanding and in close co-operation.

5. We objected to any trial by jury. We thought it inappropriate to the actions and to our status as a government. We considered, moreover, that we

were immune from action in the courts. We did not agree that "a proper court" had been determined nor that we had in the 1903-04 agreements waived our immunity.

6. The Deputy Legal Adviser, Mr. Tate, agreed on the ground to be covered: the United States authorities were willing to discuss the establishment or selection of a tribunal.

7. He hoped at the next meeting we could say what type of tribunal we had in mind. Did we contemplate having a single person adjudicate? He was opposed to a tribunal consisting of two, one United States and one Canadian national, where Canada could deadlock a decision. We assured him that we would not press for such a body.

8. He asked how the tribunal would be financed, for it would be difficult to justify a request to Congress for funds. We were non-committal though we said we did not think this would be a stumbling block.

9. He asked how we intended to pay established claims. We replied that we did not intend to set up a limited fund from which all claimants would have to be paid. We expected to meet all damages that were properly established.

10. He asked how we would propose to set up a tribunal; by exchange of notes or by treaty? We thought that it could be done in the way the United States preferred, having in mind the question of congressional ratification.

11. Mr. Tate raised the question of alternative methods of dealing with the problem. He wondered whether it should be referred to the I.J.C. under the 1909 treaty. He felt tentatively that the treaty could, but need not, apply to this matter. Hence if a tribunal were set up, it probably could not be alleged that the United States was trying to avoid its responsibilities and depart from the procedures set forth in the 1909 treaty. We did not examine the desirability of setting up a tribunal under the I.J.C.

12. On the question of immunity, Mr. Tate said with conviction that he had no doubt that we had indeed waived immunity when we signed the 1903-04 agreements. We had specifically agreed then, once and for all, to accept the finding of the proper court. He considered the court of the district where the damaged real estate was located to be the proper court to hear claims for damage to that real estate. They interpreted the clause "the proper court" generally to mean any competent court. Certainly in his view the district court where suit had been taken was here competent.

13. We made the point that under Canadian law the government could not agree to waive its diplomatic immunity in general but could merely waive it as a matter of fact in any particular case. In support, Mr. Mundell referred to the case, Kelantan vs. Duff Development Co. We must admit we made little impression with our arguments about immunity.

14. On the subject of the advantages of a tribunal over a court, Mr. Tate and Mr. Vallance observed that a court could in fact enjoy many of the advantages we claimed for a tribunal. The court could appoint a lawyer as a "master" who could travel and take evidence on the spot. Court action did not in fact require us even under the present procedure, to deal with each case separately. The

Oster case was a test case for the majority of claimants who were represented by the same counsel. It was observed that in the Court of Claims the decision would probably be left to a judge. However the Americans did not consider the Court of Claims a proper court since it entertained claims against only the United States.

15. Mr. Mundell referred to our original estimate of the increase in the water levels of Lake Ontario attributable to the Gut Dam. He said that this estimate had been based on projections of calculations. Our studies had since indicated that our original estimate was wrong. These investigations were still being continued. Our present position was that we did not admit that the Gut Dam had raised the water levels of Lake Ontario to the extent we previously indicated.

16. In general discussion, Mr. Tate said that he wished to impress upon us the serious obstacle in the way of any arrangement to substitute access to a special tribunal for access to the proper United States court provided for in the 1903-04 agreements. If the State Department now suggested to the United States citizens — and there was an excited group of them to deal with — that they forego recourse of United States courts, there would have to be important and obvious advantages to the claimants.

17. If we decide to press our argument for a separate tribunal, we must bear in mind that this is a serious barrier and we should prepare a case that will appeal as much to a claimant as to the State Department.

18. The Americans mentioned a possibility to which they would like us to give thought — the selection of the United States jurist to adjudicate the claims. Judge Knox was once selected, we were told, to adjudicate United State claims against the United Kingdom Government after World War I.

19. Mr. Tate made the point that there was an advantage to us in having the claims handled by a United States authority. Awards in a matter of this nature were always far below the claims and never satisfied the claimants. We might prefer to have Americans dissatisfied with Americans rather than with Canadians or a tribunal in which Canadians participated.

20. If a tribunal were established, Mr. Tate thought we would have to consider revoking the 1903-04 permits or taking some other action to avoid claims being made both to the tribunal and to the courts as well.

21. The date for the next meeting was agreed at some time in the first half of January to be arranged later. The United States side does not want to have counsel present at the discussion. We all agreed that the talks should be intergovernmental. If either government wished to consult counsel, it is free to do so. If it wishes to have counsel present for a specific purpose at any session it can raise the question at the time. It need not be considered now.

22. We closed by repeating our desire to have the matter settled as soon as possible and said we would co-operate fully in a search for a satisfactory solution.

23. Mr. Vallance said that council for plaintiffs Burwell was pressing him. Burwell was worried that his client's position might be weaker with the Gut

Dam out. Certainly plaintiffs would have to amend their pleadings. Mr. Vallance thought it important to reach some agreement quickly. He said Burwell feared that we might be contemplating postponement since Mr. Wyatt, our counsel, would be in Europe from December 20 to January 10. We stressed that we wished to press on with the discussion and Mr. Vallance intended to so assure counsel for the claimants.

4ᵉ PARTIE/PART 4

VISITE DU SECRÉTAIRE D'ÉTAT À OTTAWA, 21-23 NOVEMBRE 1952
VISIT OF THE SECRETARY OF STATE TO OTTAWA, NOVEMBER 21-23, 1952

879. DEA/1415-40

Le secrétaire d'État aux Affaires extérieures
au chef de la délégation à l'Assemblée générale des Nations unies

Secretary of State for External Affairs
to Chairman, Delegation to the General Assembly of the United Nations

TELEGRAM 165 Ottawa, November 22, 1952

SECRET. IMPORTANT.

VISIT OF MR. ACHESON TO OTTAWA

Following for Mr. Pearson from Mr. Wilgress.

Text begins as follows:

I was privileged to be present at the meeting of the Cabinet this morning, which was attended by Mr. Acheson and the American Ambassador.

2. After being introduced by the Prime Minister, Mr. Acheson spoke and gave one of those masterly surveys of the world situation for which he is becoming so well known. His remarks were designed to act as a vehicle for conveying to the Canadian Government his views on the Indian Resolution on Korea, now before the General Assembly. Although he did not mention Canada by name, nor did he refer either to yourself or to Mr. Martin, he left the implication that by our tactics in supporting the Indian proposal we were siding with the less responsible and more disruptive elements in the United Nations.

3. Mr. Acheson commenced by responding to an invitation of the Prime Minister to comment upon the probable effect of the change in administration on Canadian-United States relations. He said that he foresaw no change in basic policy on those matters which most directly affected Canada. As regards the St. Lawrence Seaway he referred to the important influence of the Governor of New York. On trade, he mentioned the traditioinal high tariff policy of the Republican Party but said that as they see the necessities of the world there may be a change in their traditional policy. On Defence, he pointed

out that the views of General Eisenhower should be very much the same as those of President Truman.

4. Mr. Acheson said he wanted to direct attention to two disturbing factors in the world situation which had been causing him grave concern. One concerned the United Nations and the other Europe. Speaking first of the United Nations, he said the situation was very disturbing. Institutions never develop the way their founders think they will develop and this was to be expected in the case of the United Nations. However, the tendency to form voting blocs recently had been developing in a way that could eventually destroy the whole organization.

5. He mentioned that there were two main voting blocs, the Latin-American group which controlled 20 votes and the Arab-Asian group which controlled 13 votes. Together these two groups had a majority of the General Assembly. Three characteristics distinguished the members of both groups. Each member was without power, was politically unstable and was irresponsible in the sense that not having power they had no resonsibility for implementing the decisions resulting from their votes. All the countries in the two groups were concerned with the economic development of their territories and suffered from the obsession that they had been exploited in the past. There had been two predominant ideas underlying the setting up of the United Nations, namely, security and well-being. The members of these two voting blocks had taken up the latter as being the primary aim of the organization, whereas for the founders of the United Nations this objective had been secondary to that of security.

6. Mr. Acheson then said he could give two examples of the disruptive character of the activities of the two voting blocs. One was the Arab-Asian attack on France over Morocco and Tunisia and the other the Indian attack on South Africa. Both of these attacks were misguided in that nothing could result from these actions except trouble.

7. He then very cleverly introduced the subject of Korea, which he said affects his country very much. He referred to the armistice negotiations and said that while it was impossible to predict what other questions the Communists might raise, the negotiations had led to the solution of all outstanding questions except that of prisoners of war. It was necessary to see if the other side really wanted an armistice. The Twenty-one Power draft resolution would have tested out the desire of the other side for an armistice. The activity of Mr. Menon, however, and the attitude of other members of the Arab-Asian group, were tending to obscure the issue which would have been clear-cut if there had been a vote on the Twenty-one Power resolution.

8. The Communist view from the outset had been to leave prisoners of war out of the questions demanding solution before agreement could be reached on an armistice. The Western attitude had been that this question must be solved, otherwise there could be a complete breakdown of the armistice through some question emerging pertaining to prisoners of war. Moreover, the proposal put forward by Mr. Menon left much to be desired. At this point Mr. Acheson asked if we should drive prisoners of war against their will into the machine for

resolving their fate which would be set up by the Menon proposal. He went on to elaborate some of the well known American objections to the Indian proposal. He said that it is the view of the people responsible for the operation that it would be disadvantageous to our side to agree to this proposal as it stood. He then said that instead of listening to the views of those responsible for the operation "there is this playing around with Mr. Menon."

9. Mr. Acheson then reverted to his original theme by referring, once more, to the blocs manoeuvering for position in the General Assembly and stressing again that these blocs are made up of countries without the responsibility for the exercise of power. He regarded this as a serious development which if not checked will have most disastrous effects on the United Nations and may end up in destroying that organzation.

10. Mr. Acheson next turned to his second source of disquiet, namely, Europe. He began by explaining that there are elements which create a vigorous forward movement in international relations and then the momentum behind these movements dies down. This appears to have been the case in Europe. Last May that continent was on the threshold of a most brilliant future, based on closer political and economic integration. In this connection he referred to the Schuman Plan and the E.D.C. Treaties. Today he said all of that momentum is gone. Nobody appears to be taking the necessary steps to ratify the E.D.C. Treaties. One of the factors undoubtedly has been the United States election and the long period before the new administration takes office. This has given rise to doubt and each doubt has given rise to some new doubt so that action has been slowed down and the effect has been cumulative.

11. As an illustration Mr. Acheson mentioned that a short time ago Chancellor Adenaeur had been supremely confident. Mr. Schuman then got back to Paris and made what proved to be most unfortunate remarks indicating that it might be several months before France ratified the E.D.C. Treaties. The result on the Bundestag had been immediate, and Chancellor Adenaeur had been defeated on a procedural motion concerning ratification. This has led to a paralysis of the situation. The other countries are waiting on France and Germany, both of whom are watching each other. It may be some time before the United States can speak out on these questions. Mr. Acheson expressed the hope that the new United States administration will be encouraged by other governments, including the Canadian Government, to adopt a positive attitude. He hoped the new administration would urge ratification of the E.D.C. Treaties with the same vigour as he had urged this course in the past. It is only in this way that we can have real defence in Europe and a real deterrent to aggression.

12. When Mr. Acheson had concluded his remarks it was nearly time for him to proceed to a luncheon at Government House so that the Prime Minister, in thanking Mr. Acheson, confined himself to some general remarks and did not have an opportunity of taking up in detail the points Mr. Acheson had made about Korea. Ends.

CHAPITRE IX/CHAPTER IX

EUROPE DE L'OUEST ET MOYEN-ORIENT
WESTERN EUROPE AND THE MIDDLE EAST

PREMIÈRE PARTIE/PART I

EUROPE DE L'OUEST : GÉNÉRALITÉS
WESTERN EUROPE: GENERAL

SECTION A

ORGANISATION EUROPÉENNE DE COOPÉRATION ÉCONOMIQUE (OECE)
ORGANIZATION FOR EUROPEAN ECONOMIC COOPERATION (OEEC)

SUBDIVISION I/SUB-SECTION I

COMITÉ DE DIRECTION DES ÉCHANGES
STEERING BOARD FOR TRADE

880. DEA/4901-F-40

Extrait de la lettre de la délégation permanente
auprès de l'Organisation européenne de coopération économique
au sous-secrétaire d'État aux Affaires extérieures

Extract from Letter from
Permanent Delegation to Organization for European Economic Cooperation
to Under-Secretary of State for External Affairs

LETTER No. 64 Paris, February 13, 1952

RESTRICTED

OEEC has recently completed a re-examination of its policy towards trade liberalization with special attention being given to the Common List technique. A special four-day session of the Trade Committee, at which most countries were represented by top trade officials, was held for this purpose from February 5th to 8th.

2. Meeting in the shadow of the recent difficulties experienced by a number of member countries in continuing the liberalization of trade, the circumstances were not auspicious. Nevertheless the Committee resolved that the elimination of quantitative restrictions on imports by Member countries among themselves remained one of the basic aims of OEEC and that the results already achieved should be safeguarded and extended. In order to achieve this end the Trade Committee decided that the Common List approach to

liberalization should be overhauled and that the Organization should set up a Trade Policy Board to supervise and give direction to the commercial side of the Organization's activities.

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A.R. KILGOUR
for Head of Mission

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881. DEA/4901-F-40

La délégation permanente
auprès de l'Organisation européenne de coopération économique
au secrétaire d'État aux Affaires extérieures

Permanent Delegation to Organization
for European Economic Cooperation
to Secretary of State for External Affairs

TELEGRAM 44 Paris, March 5, 1952

CONFIDENTIAL

OEEC TRADE LIBERALIZATION DISCUSSIONS

Reference: My letter No. 64 of February 13th.

Addressed External as No. 44 repeated Dominion London as No. 171.

The special session of the Trade Committee reconvened on March 4th to consider the detailed proposals for (a) Principles of commercial policy applicable to an expanding common list, and (b) the new Trade Policy Board.

2. As soon as the proceedings commenced it was evident that the favourable climate of the last meeting no longer existed. This deterioration arose from the sudden and unexpected adoption by the United Kingdom of a policy that OEEC should not press on with common list negotiations at present. (Text of United Kingdom statement is given in my immediately following message)†. The United Kingdom now takes the position that, in view of the critical disequilibria at present in intra-European payments, it would be more realistic for liberalization efforts to be directed towards "an immediate examination of the efforts of each country to liberalize trade to the fullest extent that it can afford". The United Kingdom representative also declared that what was required was more liberalization by creditor countries. However they have not proposed that the existing common list should lapse. The multilateral approach towards liberalization which is inherent in the common list is therefore rejected in favour of unilateral action under OEEC auspices. The United Kingdom favours the creation of the commercial policy board — now termed the "steering group of trade" — but they would charge it with the responsibility of examining the overall efforts of each country to liberalize trade under the OEEC methods, and to report on countries which appear to be making a smaller contribution than they might reasonably be expected to undertake in present circumstances.

3. The United Kingdom were supported in part by Sweden and Portugal. The French, without a government, are unable to take a firm stand but they seem to

favour the United Kingdom. Germany, the Netherlands, Switzerland and Denmark have spoken in favour of pressing on with the common list technique.

4. It is realized that the gap between the United Kingdom and those countries which favour the common list cannot be bridged at this meeting. The committee therefore is now examining the formal proposals which have been prepared concerning the establishment of the steering group for trade with the intention of preparing a report for the council explaining in detail the points of agreement and disagreement.

5. The United States considers that the new United Kingdom policy reflects (a) Reluctance to go ahead with further economic integration and (b) De-emphasis of OEEC. We are not sure how much significance should be read into the new position taken by the United Kingdom. In some respects their alternative proposal for an examination of the relative trade liberalization efforts being made by the different countries appears to be tactical. This is not an entirely new suggestion in OEEC and there have always been grave doubts about the practicability of this approach. However the willingness of the United Kingdom to go ahead with the creation of the steering group for trade would seem to indicate that the United Kingdom are prepared to continue liberalization efforts within OEEC albeit not on the basis of the common list. The terms of reference would probably include a comprehensive examination of country commercial and financial positions, in consultation with the EPU managing board, with a view to recommending appropriate national policies.

5. If efforts to enlarge the present common list are suspended, the present list may well be placed in jeopardy. We have previously reported that several countries accepted the list only on the understanding that it would in due course be balanced with the addition of food and agriculture products and engineering equipment.

6. We will forward a further report on the progress of the session.

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882. DEA/4901-F-40

La délégation permanente
auprès de l'Organisation européenne de coopération économique
au secrétaire d'État aux Affaires extérieures

Permanent Delegation to Organization
for European Economic Cooperation
to Secretary of State for External Affairs

TELEGRAM 47 Paris, March 8, 1952

CONFIDENTIAL

CANADIAN RIGHT TO ATTEND MEETINGS OF PROPOSED OEEC STEERING GROUP FOR TRADE

Reference: Our telegram No. 44 of March 5th.

1. The OEEC Trade Committee proposals to Council concerning the establishment of the Steering Group for Trade which were agreed at the March 7th meeting contain the following paragraph:

"A representative appointed by the administration of the United States of America may attend the meetings of the Steering Group for Trade with the right to participate in discussions but not in decisions. This representative may nominate a deputy who may attend meetings of the Steering Group for Trade and who shall exercise the functions of the representative if the latter is unable to attend."

2. During the discussion of this paragraph the Swiss delegate stated, without prompting from us, that he considered Canada should have the same status at Steering Group meetings as the United States. He drew a distinction between our interest in the EPU Managing Board and the proposed Steering Group. The United States, as a large provider of EPU resources, had obviously more cogent interest in the E.P.U.M.B.[1] than ourselves. In the Steering Group on Trade, however, our interest is equally strong.

3. We immediately welcomed the Swiss proposal and indicated privately to the Chairman our desire to have equal status with the United States. You will note that there would be no obligation on us to attend meetings of the Steering Group.

4. The text was not changed to include Canada at the Trade Committee meeting but unless we hear from you to the contrary we intend to ask for this amendment when the report is considered by the Council probably in the week of March 15th.

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883. DEA/4901-F-40

Le secrétaire d'État aux Affaires extérieures
à la délégation permanente auprès de l'Organisation européenne
de coopération économique

Secretary of State for External Affairs
to Permanent Delegation to Organization
for European Economic Cooperation

TELEGRAM 22 Ottawa, March 12, 1952

CONFIDENTIAL

RIGHT TO ATTEND MEETINGS OF PROPOSED OEEC STEERING GROUP FOR TRADE

Reference: Your telegram No. 47 of March 8.

We agree that Canada should have same status as United States. You are authorized to ask for appropriate amendment when Trade Committee report is considered by Council.

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[1] European Payments Union Managing Board.

884. DEA/4901-F-40

La délégation permanente
auprès de l'Organisation européenne de coopération économique
au secrétaire d'État aux Affaires extérieures

Permanent Delegation to Organization
for European Economic Cooperation
to Secretary of State for External Affairs

TELEGRAM 54 Paris, March 22, 1952

CONFIDENTIAL

CANADIAN RIGHT TO ATTEND MEETINGS OF PROPOSED OEEC STEERING COMMITTEE FOR TRADE AS OBSERVERS

Reference: Your telegram No. 22 of March 12th.

1. Proposals concerning composition, terms of reference and functions of the above committee are to be made to the OEEC Council on Wednesday next. Agreement has not been reached on the size of the committee but there is no provision at present for Canada to sit with the United States as an observer. We think Swiss delegate will request Council to give us this right if we wish them to. The odds are that the Council would not refuse us this right if requested, although United Kingdom and perhaps others might suggest a less formal association in view of certain new factors. These may suggest to you also the desirability of asking for something less than continuous representation.

2. Firstly, a strong effort is being made to keep the composition of the committee down to 7, plus the United States observer, in the interests of efficiency, despite the efforts of some countries to enlarge the committee by three or four more members so as to provide wider representation. If it seems that the concept of a small committee may win out, as we think it should, the demand for representation by Canada would prove embarrassing to those countries pressing for a small committee. If a large committee is inevitable we should feel less embarrassed in pressing our claims.

3. The Steering Committee for Trade will consist "of members chosen for their personal qualifications, by reason both of the knowledge they have of problems of trade policy and the standing which they enjoy within the organization or within their respective countries" and it is understood that this high level committee will be engaged on intensive work and negotiations somewhat after the fashion of the EPU managing board, which meets continuously for about ten days every month. It seems that it will usually report directly to Council without prior review by one of the larger and more general committees. It will have to negotiate new principles to form the basis for the common list, handle complaints against countries which threaten to abandon their obligations and persuade creditor countries to liberalize more trade. Canada will not be greatly interested in all of this work and the delegation might find itself unable to provide the senior personnel for continuous attendance at its lengthy meetings.

4. Notwithstanding this, we could continue to press for a seat on the committee with the idea of attending only those meetings which deal with matters of special concern to Canada. An alternative would be not to ask for observer's seat but to request the Council to agree that committee would make available to us all the papers circulated to committee members and to permit us to attend and to speak at meetings dealing with any question in which we feel there is a special Canadian concern, including meetings dealing with general policies.

5. Should it turn out that the committee is to be kept down to seven or nine members and that support for a Canadian request for observership would not be widespread and warm, I would think that we would be better advised to request the latter treatment. We are canvassing three of four major delegations to get reaction to possible request for a seat, but answers so far are reticent, though not discouraging. Your observations would be appreciated.

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885. DEA/4901-F-40

Le secrétaire d'État aux Affaires extérieures
à la délégation permanente auprès de l'Organisation européenne
de coopération économique

Secretary of State for External Affairs
to Permanent Delegation to Organization
for European Economic Cooperation

TELEGRAM 28 Ottawa, March 25, 1952

UNCLASSIFIED. IMPORTANT.

We concur in alternative approach you suggest to ensure that Canada be kept informed of Trade Steering Group proceedings and permitted to attend discussions on matters of special concern to us.

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886. DEA/4901-F-40

La délégation permanente
auprès de l'Organisation européenne de coopération économique
au sous-secrétaire d'État aux Affaires extérieures

Permanent Delegation to Organization
for European Economic Cooperation,
to Under-Secretary of State for External Affairs

LETTER No. 147 Paris, April 21, 1952

CONFIDENTIAL

OEEC STEERING BOARD FOR TRADE

Reference: Our telegram No. 54 of March 22nd and your telegram No. 28 of March 25th.

The Steering Board for Trade with terms of reference as laid down in C(52)100 was formally established by a decision of the OEEC Council made at the meeting of Friday, 18 April 1952, subject to a reservation by Turkey. The Steering Board for Trade will consist of seven members, together with the Vice-President of the Trade Committee (who is a Greek) and an observer from the United States. The last two members may participate but may not vote.

2. You will observe that no provision has been made for direct Canadian association with the new Board. Our attempts to attain a seat on the Board as an observer, or to have direct access to all the papers of the Board, had to be abandoned because of the desire on the part of all countries to keep the composition of the Board down to seven members. Up to the very last moment such countries as Turkey, Denmark, Ireland and Switzerland were insistent on a nine-man Board — the larger number being necessary to permit a wider representation — and any strong pressure brought by ourselves to be represented on the Board would have made it difficult to resist their demands. As it was, these countries, with the exception of Turkey, reluctantly agreed at the last minute, under pressure, to the establishment of a seven-man Board. There was some thought at one time that the United States might choose a Canadian as their alternate member of the Board but this was deemed impracticable since there will be many occasions when the alternates will operate in place of the full Board.

3. To enable Canada to follow the proceedings of the Steering Board for Trade we have, however, made an informal agreement with the American delegation to obtain the papers. The American member of the Board at its first meeting will announce that, because of Canada's great concern with the problems of European trade, the American delegation will keep the Canadian delegation informed of all developments. In effect, the American delegation will pass on to us an extra copy of all papers. Should we desire to make representations before the Steering Board on any occasion, there is a provision in the new Article 35 of the Code of Liberalization permitting the Board to allow other persons to attend its meetings. We think that this arrangement should meet our needs satisfactorily and hope that you will agree with this conclusion.

4. As mentioned in our telegram No. 54 of March 22nd, the Steering Board for Trade will be composed, for the most part, of senior trade officials who will come from their respective capitals for an intensive series of meetings and negotiations for some ten days or so every month. The members elected by the Council at its meeting last week are as follows:

Snoy (Belgium)
Bartels (Denmark)
Clappier (France)
Von Maltzan (Germany)
Dall'oglio (Italy)
Hotz (Switzerland)
Cohen (United Kingdom)

I should add that these seven have been appointed to serve until July 1st when it is expected that they will be re-elected (with possibly one exception), for a further twelve-month period. The reason for these temporary appointments is that Switzerland has been advised informally that she cannot have representation both on the Managing Board for EPU and on the Steering Board for Trade. Since Switzerland is unable to decide for the time being which position she will relinquish, she has been given, in effect, two months in which to make up her mind.

J.F. PARKINSON
Head of Mission

SUBDIVISION II/SUB-SECTION II

RÉUNION MINISTÉRIELLE, 27-29 MARS 1952
MINISTERIAL MEETING, MARCH 27-29, 1952

887. DEA/4901-F-40

La délégation permanente
auprès de l'Organisation européenne de coopération économique
au sous-secrétaire d'État aux Affaires extérieures

Permanent Delegation to Organization
for European Economic Cooperation,
to Under-Secretary of State for External Affairs

LETTER No. 127 Paris, April 3, 1952

CONFIDENTIAL

OEEC MINISTERIAL MEETING ON MARCH 27-29TH AND FUTURE ACTIVITIES OF OEEC

This was a particularly significant meeting of the Ministerial Council of the OEEC in that it was intended, by those who participated in the stage management, to dissipate some of the forebodings which existed with respect to the OEEC and to convey the impression that the Organization is about to take on a new lease of life. The plan worked well. It is now apparent that the outcome was in large measure a result of conscious thought by the United States delegation, supported (probably) by France and some of the north European countries. The U.K. delegation (among others) was taken by surprise by the two concrete American proposals for future OEEC work. However, they did not attempt to swim against the current and gave verbal support, with only minor reservations, to the aforesaid proposals. We know that they kept most of their doubts to themselves and will seek to exert an opposing influence when the time comes to adopt plans and procedures for implementing them. It should be added that the American proposal for the annual review of economic prospects in Member countries may involve some conflict of responsibility with NATO and that the British, like ourselves, seem to be more worried about this than anyone else. Owing to the precipitate manner in which the Americans introduced their proposals, and the ready support given to them by almost all other delegations, there was no opportunity for a frank discussion of these doubts.

2. The decisions taken at this three-day meeting of the Ministerial Council will be the subject of several succeeding despatches. It may help to understand the inner meaning of some of these decisions if I relate some of the circumstances in which the meeting was held and the motives (often mixed) which seem to have governed the attitude of the various delegations. Many of the actual decisions, as usual, involve the establishment of new committees and the laying of plans for new enquiries. For the sake of convenience, I shall begin by listing in summary form the specific accomplishments of the meeting.

(a) The Council approved and agreed to act upon a report designed to implement the Ministerial Declaration of August 1951 in favour of an expansion of production in Europe of 25% over the next five years. This report includes among other things specific recommendations to Member countries as a group with respect to the targets they should aim for in key sectors of the economy (steel, power, housing, agriculture, etc.) and the devices by which such increased production can be achieved.

(b) The Council approved a report of a special Ministerial Committee on coal production in Europe which indicated that, as a result of their enquiries, producing countries had succeeded for the most part in setting higher targets for actual production, with the probability that Western Europe could be independent of American imports by 1954, always provided that certain promised measures were taken and certain priorities established.

(c) The Council decided to continue the European Payments Union in operation and reached certain broad conclusions with respect to the manner in which the Union should operate in the future. In particular, the Council admitted the need for an increase in capital, recognized sadly that no future aid in this respect was likely to come from the United States, and moved a step towards the recognition of the fact that the Members, and in particular the debtors, must pay more gold and dollars into the Union.

(d) The Council approved a proposal for the settlement of the surplus which the Belgian-Luxembourg Economic Union is likely to develop with respect to the EPU for the period April to June 1952.

(e) The Council approved a document setting forth the future activities of the OEEC which involves, *inter alia*, a cut of roughly 30% in both expenditures and personnel.

(f) The Council adopted an American proposal to inaugurate an annual review of the economic position and prospects of Member countries and invited the United States and Canada to participate in this review (i.e. to permit themselves "to be reviewed"). This decision is discussed in more detail below.

(g) Council approved another American proposal for a high level study by the Organization of the measures needed to solve the problems of internal financial instability in Member countries, giving priority to the more serious cases. It is expected that this review will result in recommendations being made to governments, after the proposals have first been vetted by the small Ministerial Committee.

(h) The Council decided to set up a new and senior Steering Board for Trade somewhat after the model of the Managing Board of EPU. This group would possess the same responsibilities in respect to questions concerning the liberalization of intra-European trade as the Managing Board has in respect to payments problems in Europe and would be charged at the outset with the job of finding ways of bringing to an end the present retreat from liberalization, and reversing the movement.

3. For the most part these are still paper programmes or, what is even worse, no more than plans to make paper programmes. Nevertheless the decisions of the Council reflect a spirit of determination and enthusiasm which has been lacking in the OEEC for some twelve months, and perhaps ever since it became apparent that rearmament had top priority in Europe and that the NATO might well become the key planning agency in the economic and financial sphere, perhaps even superseding the OEEC completely. Certainly in the months prior to this meeting, the atmosphere in OEEC circles both in the Secretariat and in many of the delegations had been gloomy. It was felt by some delegations that the Organization was being, or was likely to be, deserted by some of its key Members and associates, notably the British and Americans. The original proposals of the British to streamline the Organization and to cut OEEC staff and expenditures by 50% was regarded as evidence of this lack of interest. More important still, the OEEC has been facing critical conditions in Europe over the last year and was seemingly unable to do anything about it. Its original bold plans for trade liberalization had long since begun to falter and in recent months had received a severe setback as a result of the new trade restrictions imposed against their European partners by France and the U.K. At the same time the European Payments Union had had to face up to a critical condition almost every month as a result of the continuous deficits run by the U.K. and France and of the outward flow of gold required to settle the corresponding Belgian surplus. The problem of dwindling reserves had therefore been hanging over the heads of the Managing Board of EPU for many months and no sign of a solution was in sight.

4. Notwithstanding all their shortcomings, the trade liberalization programme of the OEEC and the European Payments Union could be regarded as the principal monuments to the validity of the basic OEEC approach to European integration. Consequently, the threat to these policies, together with the fear that the basic policies were being abandoned by many countries as being of less importance than rearmament had created a good deal of unhappiness both in the Secretariat and among some of the delegations. These fears were particularly evident in the case of the French government which, wedded as it is to the idea of European integration, to which it would like to give leadership, regards the OEEC as the proper vehicle for the conduct of a European economic programme. These fears were shared in some measure by all the Scandinavian countries, by all the non-NATO members and probably by Belgium and Holland. The U.K., of course, was regarded as the villain of the piece, the country which had always given only grudging support to the OEEC idea and the country which could expect to exert greater

influence and perhaps receive greater support in and from an Organization to which the United States and Canada were completely committed. To some of the European delegations even the U.S. was now suspect because of what was believed to be its overriding concern with the question of rearming Europe. It should be added that an assessment of the attitudes and motives of Member countries in the Organization cannot be considered separately from the attitude of the personalities in the various delegations, including the American delegation, some of whom are bound to seek, consciously or otherwise, the maintenance of the importance of the institution to which they are accredited. This latter factor is not completely irrelevant in determining the attitude of some delegations towards the future of the OEEC. Finally, a more legitimate and defensible feeling existed on the part of some delegations and governments that the OEEC is a more inclusive organization than any other organization concerned with the problems of the European economy, that it has enjoyed a considerable experience in promoting intra-European economic cooperation and that for these reasons it is the most appropriate organization to undertake the responsibility for and supervision of the necessary programmes for increasing production and trade within Europe.

5. The United States government had seemingly become convinced of the need to resuscitate the OEEC and took advantage of this meeting of the Council of Ministers to make their position clear. This they did by frequent declarations to the effect that they attached the utmost importance to the work of the OEEC in the future and by taking the initiative in proposing resolutions intended to provide the OEEC with new activities, resolutions which seemed to demonstrate that the OEEC would continue to be the major organization charged with responsibility for intra-European economic problems. We were told privately in advance of the meeting that the U.S. intended to play a more active part in the OEEC than formerly. Mr. Draper's presence and intervention during the Ministerial meeting was an intimation of this attitude. My own impression is that the Americans did not realize the confusion and doubt that would arise later from the proposals referred to in paragraphs 6 and 7 below. As implied above, there was an element of stage management at this OEEC meeting. The importance of the agenda items alone would have warranted the attendance of a number of senior Ministers but this meeting was marked by the attendance of more than the usual quota of Cabinet Ministers. Messrs. Stikker, Butler, Pella, Draper, Van Zeeland, Lieftinck and Brofus [Brofoss] were present throughout the entire period and Mr. Schuman stayed longer than usual. The formal meeting of the Council was preceded by an informal and smaller off-the-record session called by the Chairman to discuss the "crisis" in OEEC affairs. Dr. Stikker spoke of the setbacks which the Organization had had to face, pointed to the uncertainties which beset the future of the OEEC and indirectly called for assertions of renewed support for the OEEC and for a concerted attack on the problem of financial instabiity which, in his opinion, was at the root of most of the difficulties of Europe. His request for assertions of renewed support was markedly successful. Pella, Schuman, Van Zeeland and Draper quickly followed one another with arguments for the continuance

of OEEC on a very active basis and with some indication of the problems which need bold action by the OEEC. While one or two countries may have done no more than take their cue from the U.S., most countries, and especially the smaller ones and the neutrals, were quite convincing in their sincerity. The general theme was the fear of a return to bilateralism in trade arrangements if the liberalization programme could not be saved and if the related EPU system should collapse. A number of countries (including France, ironically enough) took up a proposal of the United States that the first problem to be tackled was that of financial instability and expressed their willingness to be exposed, albeit with all the necessary precautions, to recommendations from the OEEC in this field. It should be added that, whatever his private views, the public expressions of the Chancellor of the Exchequer at this private meeting and at the formal meetings, all gave support to the view that the OEEC had an important part to play in the future. The efforts of the U.K. were devoted to watering down the proposals for study and action put forward by the United States and other delegations. I should add that I thought it expedient to give assurances of Canada's keen interest in the continuation of the activities of the OEEC, mentioning in particular the programme for the 25% expansion in European production and the related trade liberalization measures. I pointed out that we saw no incompatibility or conflict in our association with OEEC and NATO and that in the economic field the objectives of both organizations were much the same. Moreover, OEEC had already done good work and acquired valuable experience in this field which none of us could afford to abandon. I think that our statement was particularly welcome to those delegations who may have felt that, in view of Canada's interest in Article II of NATO, we might have become negative in our attitude towards the OEEC. As a result of this off-the-record meeting, the proposals put forward at the more formal session for new OEEC activities in the near future were accepted, in principle at least, with less debate than would otherwise have been the case. In the minds of most delegations there was a feeling that the new undertakings were necessary to give effect to their desire to see OEEC grapple with the more urgent problems facing Europe today.

6. We shall be reporting in detail on most of the agenda items mentioned in paragraph 2 above. Something should be said, however, about the proposal to inaugurate an annual examination of the economic position and prospects of Member countries, together with the United States and Canada. This proposal, like the proposal to undertake an urgent high-level enquiry into the problems of financial instability, was put forward by the Americans. Both were supported with enthusiasm by other delegations. For some reason unknown to us and never made clear in the discussions, these proposals somehow came to be regarded as a symbol of the revival of the OEEC and if delegates were skeptical as to the usefulness of additional all-embracing enquiries they never expressed them publicly. As to the intentions of the United States in this connection, the position is a little obscure (the experience is not a new one). The American delegation spoke with different voices when I talked to different members privately, and appeared to give rather different versions of their

intentions when speaking to different countries. The American delegation genuinely feels (and who will deny it?) that the most urgent economic problem in Europe, the one which has contributed most to the abandonment of trade liberalization and the crisis in EPU, is the failure to grapple with overspending and inflation in France, the United Kingdom and some other countries. It believes, therefore, that there should be a concerted European attack on this problem and that the way to begin is to make an appropriate diagnosis for the more ailing Members of the community, to determine the correct prescription and to try to bring concerted pressure on those Members to take the proper medicine. They wanted, at first, a Ministerial Committee after the fashion of Dr. Stikker's coal committee to look into the problem. In the end the Council preferred a top-level expert committee whose prescriptions would be vetted by a Ministerial group before being handed over to governments.

7. The more important of the two American proposals for additional work by the OEEC was its suggestion — one that was adopted without much discussion in the atmosphere of elation that followed the private meeting referred to above — to embark upon an annual review of the economic situation of Member countries. Coming from the American delegation and in order, therefore, to make it more palatable to others, there was tacked on to this scheme a proposal that the United States and Canada should participate. All that Draper said, or implied, was that it would be a good thing for the OEEC countries to expose their economic expectations and plans and to have them confronted by those of their partners. In this way the Organization might ensure greater cooperation and might be able to take steps for a joint attack on any difficulties which emerged as a result of the process of mutual "confrontation" of programmes.

8. The U.K. delegation realized very quickly, as did we ourselves, that such an annual economic review could have undesirable features from the point of view of those who were more concerned with the effective NATO operation in this field. It should be added, however, that none of these doubts came into the open since the American proposal was made without notice and at a time when the conference was exhausted from the preliminaries and because the Europeans embraced it enthusiastically and uncritically. In the short time we had to confer with them, the American delegation gave us a strong private assurance that they saw no reason why their proposal need worry NATO in the slightest degree. They gave the same reassurances to the British and in the formal meeting Butler requested and received from Draper a statement that this annual review was being suggested in the interests of the OEEC itself. The Americans told us that an annual review of this kind would lay bare the problems that needed to be tackled if European production was to be increased and financial stability assured, and that the raw material of the analysis could be turned over to NATO (thereby saving NATO a good deal of staff work) for the bigger and more political job of the kind practised by the TCC last Fall. Notwithstanding these reassurances, I do know that at least once delegation, e.g. Norway, understands (and is not displeased with the idea) that as a result of this decision the OEEC is now responsible for most of the economic analysis that would otherwise have been done by NATO. One is also aware of the fact

that those countries who feel that the military influence in NATO is likely to be excessive, consider that non-military interests are more likely to be given proper expression if the analysis is done by the OEEC. One or two delegations also have the feeling that the American proposal for an annual economic review implies that the distribution of American economic aid will somehow be related to the results of this enquiry in the future in much the same way as was Marshall Plan Aid. It is only fair to add that the Americans have given no encouragement to these views when speaking to ourselves or to the British. I mention them merely to indicate the uncertainty, not to say confusion, which may exist for some time as a result of this situation.

9. You will no doubt wish to consult with Washington and some other NATO capitals to determine in what way future NATO work in the economic field is likely to be affected by these decisions, and what steps should be taken by ourselves on the Executive Committee of OEEC when the time comes to make plans to implement them. We shall endeavour to obtain the views of the appropriate delegations in Paris and will report to you thereon later.

J.F. PARKINSON
Head of Mission

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888. DEA/4901-F-40

La délégation permanente
auprès de l'Organisation européenne de coopération économique
au sous-secrétaire d'État aux Affaires extérieures

Permanent Delegation to Organization
for European Economic Cooperation,
to Under-Secretary of State for External Affairs

LETTER No. 128 Paris, April 7, 1952

RESTRICTED

MEETING OF OEEC COUNCIL, MARCH 27-29, 1952

Reference: Our letter No. 127 of April 3rd.

The above referenced letter described in a general way the proceedings of the recent meeting of the OEEC Ministerial Council. Annexed to this letter are more detailed reports on the various agenda items:

I Future of the European Payments Union
II Settlement of the B.L.E.U. surplus for April, May and June, 1952†
III Internal Financial Stability†
IV The Steering Board for Trade†
V The Economic Expansion Programme†
VI Increase in Coal Production†
VII The International Materials Conference†
VIII Reduction in OEEC Secretariat.†

J.F. PARKINSON
Head of Mission

[PIÈCE JOINTE/ENCLOSURE]

Annex 1 to Letter No. 128 of April 7th

Meeting of OEEC Ministerial Council, March 27-29, 1952

FUTURE OF EUROPEAN PAYMENTS UNION

The Ministers agreed in principle that the EPU should be extended beyond June 30th but no decisions were taken at this meeting concerning modifications in the EPU Agreement. The Ministers had the report of the Managing Board (C(52)64) which posed the principal problems and they heard comprehensive statements from nearly every delegation about the future of the Union. As the Managing Board's report had only discussed the issues involved and had not offered specific solutions, the Ministers' discussion therefore served to give the Managing Board guidance for drawing up detailed proposals which will be submitted to the Ministers for approval at another meeting before June 30th.

2. The Managing Board stated in its report that three conditions would have to be met if the Union was to function efficiently. First, the convertible assets of the Union had to be increased; secondly, provision must be made for settling the surpluses of extreme creditors; and thirdly, the internal financial policies of member countries should be brought more closely into line with one another. From a technical point of view, the Managing Board presents a good case for an increase in the Union's reserves. The convertible assets are required for four main reasons. They must be adequate to cover cumulative out-payments; they stand as security to creditors who have granted credit to the Union; they provide confidence among traders and bankers as to the solvency of the Union and they may be required to meet the needs of member countries whose debtor positions may temporarily be extreme. The Managing Board estimated that an additional $178 million was required in the convertible assets.

3. While most Ministers declared they agreed that the convertible assets should be increased, a number of them suggested that the Managing Board had erred on the liberal side in its estimate of the amount required. The United States maintained its position that while EPU member countries themselves might contribute to an increase in the convertible assets no direct contribution could come from the United States. Mr. Draper pointed out that through the U.S. taking up the balances of certain member countries (i.e. direct aid to Austria, Greece, Iceland and Turkey) some $100 million had accrued to the Union since July 1, 1951 and that an additional $60 to $80 million would likely be similarly paid before June 30th. He did not think it unreasonable for the member countries of EPU to put up the balance, that is $100 million, if that was the amount required. Legislation now before Congress again provided for the balances of certain countries and he felt that no additional contribution was required from the United States. Several Ministers indicated that they were prepared to consider how member countries could provide a solution to the problem. Although Mr. Butler declared that he could not consider the possibility of the U.K. making a direct contribution, he suggested that the gold/credit ratio for debtors might be modified in order to increase pressure on debtors to take remedial action and to provide a current flow of gold into the

Union in such circumstances. Lieftinck for the Netherlands declared that they were prepared to pay their share of any contributions by member countries to the convertible assets. Norway also suggested that the gold/credit ratios might be altered in order to put more pressure on the debtors. The result of the discussion therefore was that the Ministers instructed the Managing Board to prepare precise proposals concerning an increase in the convertible assets and to re-examine the estimate of the amount of the increase required, bearing in mind the views expressed at this meeting.

4. With reference to the problem of persistent extreme creditor countries, the Managing Board report states "There appear to be countries in the Union which will incur surpluses more or less continuously. These are the countries which have the strongest currencies. Thus the Union can expect that it may have to settle the surpluses of some creditors who have exceeded their quotas, even though there are no debtors who are in the same position and though this situation may continue almost indefinitely." It is evident therefore that the Managing Board sees no early reversal to the BLEU creditor position. With regard to the means of settling such creditor positions the report of the Board further states "The Union must try to find sufficient funds to enable it to settle the surpluses of the creditors by payment of gold on a scale which enables them to avoid grants of credit to the Union to an extent which causes them internal monetary difficulties so that these countries can avoid imposing severe restrictions on their exports to other member countries." The problem of the increase in the present reserves therefore is intimately related to the solution of the problem of persistent extreme creditors.

5. In this connection, Mr. Janssen, the Belgian Finance Minister, made a lengthy statement in which he declared that as far as his country was concerned the Union now was a burden for them which was disproportionate to the advantages which it provided. The Belgian Government was convinced that a multilateral payments system should continue but the machinery of the EPU had to be put on a sounder basis. For one thing, creditors who had reached the limit of their quota must be paid entirely in gold. However the inability of debtors to settle their deficits entirely in gold was recognized. He said that the inability of debtors to make such settlement is merely one aspect of the general disequilibrium of the dollar balance of the EPU as a whole. This line of reasoning is, you will recognize, the same line which we reported to you in our despatch No. 70 of February 19th. The problems of EPU and of intra-European trade are linked to the dollar problem so that some element of responsibility can be placed on the dollar area towards finding a solution to the current difficulties of EPU. Mr. Janssen even stated that any solution for the problem of the structural disequilibrium of the dollar balance of payments of member countries would require the United States to help European countries to buy less in the dollar area and to increase their own purchases in Europe. Off-shore purchases were suggested as the most appropriate and useful means for implementing the latter policy. With regard to the structure of EPU, Mr. Janssen asked for a strengthening of the working capital, some "mechanisms" to ensure greater stability in the internal finances of all member countries,

arrangements to repay before June 30th the credits already granted in excess of quotas, and arrangements whereby any future credits extended within the Union would be subject to precise terms of repayment. With regard to the problem of internal financial stability, he suggested that the powers of the Managing Board should be increased and that rules should be laid down under which countries which do not maintain a healthy and stable currency would no longer have the right of automatic recourse to the reserves of the Union.

6. There was little discussion on the other aspects of EPU which are discussed in the Managing Board's report. The Managing Board rejected a general increase in the quotas as it would "tend to reduce the incentives to debtors to take sufficiently early and sufficiently rigorous action to control their balances of payments." The Irish suggested there might be a general increase but not one other delegation supported this proposal. Several representatives directed attention to the beneficial effect of long-term capital investments although there was no discussion on the Managing Board's references to the contributions which the IBRD and the IMF might make in easing the problems of intra-European payments. The Managing Board's suggestions concerning coordination in commercial policy and the internal financial policies of member countries are more or less incorporated in the Ministers' decisions concerning two other items on the agenda, the Steering Board for Trade and the work on internal financial stability.

7. Some of the proposals which the Managing Board originally considered (and which were reported in my letter No. 70) did not appear in the final report. These omissions relate for the most part to the more objectionable features which we found in the Managing Board's draft report, i.e. the suggestion for some degree of uniformity in member countries' policies towards dollar imports, the implication in the plea for member countries currencies to be of equal value and that the hard currencies should be less hard in order to permit EPU to function more easily, and the proposal for "convertible accounts" which would deny to creditors the receipt of gold they would otherwise have obtained. Nevertheless some of the thinking reflected in these proposals tended to find expression in the Board's final report, particularly in the final sentence of paragraph 16, "It seems clear that the Union must always be in difficulty from this cause (inequality in the value of member countries' currencies) unless member countries follow internal and external policies which will result in a reasonable parity between the 'nominal' and the 'real' values of their currencies."

8. Referring to these questions, I stressed in a short statement that from our point of view it was very essential that the long-term objectives of EPU (full convertibility and multilateralism etc.) should always be kept in mind, especially when consideration was being given to means for strengthening the Union. I stressed the disadvantages of the easy credit which countries had obtained through the Union and took advantage of the occasion to remind OEEC that one effect of the EPU difficulties about which the Canadian Government was deeply concerned was the imposition by a strong creditor country of additional dollar restrictions. With regard to the convertible assets, I

said that I recognized there were strong arguments on technical grounds for an increase but I thought that if this were done the member countries themselves should make appropriate contributions. An element of vaudeville was introduced into the proceedings when the Irish representative suggested that it would be of great assistance if the U.S. and Canada joined the Union with appropriate quotas. In reply I suggested that our maintenance of reasonable raw material prices, a low tariff policy and a high level of demand for European and other imports were very important and effective contributions to EPU.

9. On the whole the debate on EPU was of a very high standard. Member countries, faced as they are with acute problems of financial instability at home or among their trading partners, gave recognition time and time again to the fact that it was essentially the internal policies of member countries, and the debtors especially, which needed adjustment if existing stresses in intra-European payments were to be solved. I was impressed by the number of countries which seemed prepared to consider adjustments in the gold/credit ratios in order to strengthen the incentive of both debtors and creditors to take appropriate action. The next step in the preparations for EPU to be extended after June 30th is further elaboration in the Managing Board of details for specific revisions in the EPU Agreement incorporating the views of the ministers on an increase in the convertible assets and adjustments in the gold/credit ratios. Consideration may also be given to increasing the powers of the Managing Board with respect to its investigations of internal policies though this suggestion is covered in the Ministers' decision to have a senior group look into the more pressing cases of internal financial instability. The seeming inability of member countries to earn dollars or other third currencies and to use them in settling their intra-European balances was also a recurring theme during the discussions. Further attention will therefore likely be given by the Managing Board to the possibility of collaboration with the IBRD and the IMF and perhaps also the more general dollar problem.

889. DEA/4901-F-40

Le sous-secrétaire d'État aux Affaires extérieures
à la délégation permanente auprès de l'Organisation européenne
de coopération économique

Under-Secretary of State for External Affairs
to Permanent Delegation to Organization
for European Economic Cooperation

LETTER No. E-58 Ottawa, April 24, 1952

SECRET

UNITED STATES PROPOSAL FOR ANNUAL ECONOMIC REVIEW OF OEEC COUNTRIES

Reference: Your letter No. 127 of April 3.

I attach for your information a copy of Despatch No. 887 of April 16 from the Canadian Embassy in Washington.† You will note that, *inter alia*, this despatch explains in some detail the reasons which prompted the United States to propose, at the last Ministerial meeting of the OEEC Council, that the OEEC undertake an annual review of the economic positions and prospects of member countries.

2. I would draw your particular attention to paragraph 10 of the despatch which suggests that informal consultations in regard to the scope of the OEEC review have already taken place, and that there would appear to be little danger that NATO interests will not be adequately taken into consideration when the plans and timetable for the OEEC review are being elaborated. It was, as you will recall, about this aspect of the United States proposal that we were mainly concerned.

3. In the meantime you will also have received a copy of telegram No. 981 of April 16 from our High Commissioner in London† which analyses the reservations of United Kingdom officials in regard to the OEEC review. These reservations, as you will have noted, relate less to the possible lack of proper coordination between the functions of OEEC and NATO in the economic field than they do to the prejudicial effect which a review undertaken initially in the OEEC might have on the substance of the next TTC[2] exercise. In fact, it would appear that, if the United Kingdom had its way, the two reviews would be undertaken independently without much more than a bare modicum of mutual borrowing of the basic economic raw material.

4. I should be inclined to suggest that, if the degree of NATO-OEEC cooperation envisaged in paragraph 10 of the attached despatch materializes, our position will have been adequately met. I should be grateful if you could watch developments in the OEEC as the Executive Committee assumes responsibility for the formulation of the framework and the first OEEC annual review.

A.F.W. PLUMPTRE
for Acting Under-Secretary of State
for External Affairs

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[2] TCC — Temporary Council Committee.

SUBDIVISION III/SUB-SECTION III

RÉUNION MINISTÉRIELLE, 12-13 DÉCEMBRE 1952
MINISTERIAL MEETING, DECEMBER 12-13, 1952

890. DEA/4901-F-40

Le représentant auprès de l'Organisation européenne
de coopération économique
au secrétaire d'État aux Affaires extérieures

Representative to Organization for European Economic Cooperation
to Secretary of State for External Affairs

TELEGRAM 738 Paris, December 13, 1952

CONFIDENTIAL

Addressed Ottawa No. 738, repeated Dominion London No. 74.

1. At the Saturday morning meeting of OEEC, Mr. Eden made an extended statement on the Commonwealth Economic Conference touching on most of the points mentioned in the final communique. He then called on us, as agreed beforehand, for a statement which was made by Mr. Wilgress. The greater part of our statement was an appropriate paraphrase of paragraphs 4 to 9 of the statement made by the Prime Minister at the beginning of the Commonwealth Conference and reported to you in telegram No. 2 of November 30th from the Canadian delegation.[3] We added the following concluding paragraphs:

"The Commonwealth meetings, which lasted for several weeks, were able to move forward towards important and constructive proposals. We have no doubt that, today and in the weeks that lie ahead, discussions in OEEC will move forward in the same way. In this connection, we were glad to find that our fellow members of the Commonwealth recognized fully the importance of the position of the European countries, 'whose cooperation', in the words of the final communique 'is essential'. The communique went on to emphasize that the aims of the Commonwealth proposals are entirely consistent with the close ties existing between the members of the Commonwealth and the members of the OEEC.

"It will not be easy to work our way out of the economic difficulties which surround us and divisions which threaten to separate us. The task will involve us all in serious problems — domestic problems as well as international problems. All concerned, will have to share in the responsibilities. Canada, a North American nation, which has participated fully in the Commonwealth meetings, recognizes, as the OEEC Fourth Report points out, that these responsibilities extend to both sides of the Atlantic.

"The Commonwealth proposals have only just been made known and nothing can be decided here today. Our discussion can only be of a preliminary character; nevertheless, it can be very useful in preparing our future work in

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[3] Voir le document 598./See Document 598.

OEEC. The Canadian delegation to OEEC look forward to taking part in this work in Paris, just as Canadians have taken part in the work in London, and I thank you, Mr. Chairman, for the positive and constructive guidance you are giving us this morning."

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891. DEA/4901-F-40

Le représentant auprès de l'Organisation européenne
de coopération économique
au secrétaire d'État aux Affaires extérieures

Representative to Organization for European Economic Cooperation,
to Secretary of State for External Affairs

DESPATCH 1860 Paris, December 17, 1952

CONFIDENTIAL

O.E.E.C. MINISTERIAL MEETING, DECEMBER 12-13

Reference: Telegram No. 738 of December 13th.

The Ministerial meeting of the OEEC Council which took place last Friday and Saturday was called primarily to approve the Organization's Fourth Annual Report on which the Secretariat and country delegations have been working for the past six months. The Council also gave some time to a discussion of the Organization's programme of work for 1953 and in this connection Mr. Eden and Mr. Wilgress made statements on the results of the Commonwealth Economic Conference. (Texts sent in our telegrams Nos. 753 and 754.)[†]

2. We shall be sending the final text of the Annual Report to you and to our missions in OEEC countries as soon as they are printed and I do not intend to comment in detail on it now. It may, however, be useful to point up one or two passages which set the tone for the Report as a whole. In a section entitled: "Essential Elements for a Lasting Solution" (of the economic difficulties of Western Europe) the Report states that: "Europe must be made independent of American economic aid by means of sustained expansion which will restore its competitive capacity, increase its dollar earnings and allow it to move towards a stable equilibrium in a world wide system of liberalized trade and payments. This calls for simultaneous and co-ordinated action on a broad scale by Western Europe and its associated monetary areas and by the United States and Canada."

3. "The individual elements of a plan of action to meet these conditions," the Report continues, "cannot be startlingly new." And indeed there is little that is new in it. It does, however, provide a good statistical and policy statement of the European problem which will be invaluable to the new American administration and which will provide a useful point of departure for a co-ordinated Commonwealth OEEC approach to the United States in 1953.

4. The Ministerial discussion of the Report was what might be expected of a discussion on a document which had been carefully negotiated at the official

level. Some Ministers felt that the proposals should have been more precise, others felt that the payments and liberalization problems should have been given better treatment, but the speeches contained little that was new. Mr. Hammarskjold of Sweden felt that the text was in part too "uncontroversial"; that in order to be acceptable to all countries it had avoided coming to grips with specific issues.

5. Although it is true that the Report does not give precise recommendations, this is not necessarily a weakness at this stage. The OEEC programme for 1953 hangs on a new approach to the United States Administration which in turn must be coordinated with a Commonwealth approach. Precise recommendations must await a study of the Commonwealth proposals in the OEEC and a reconciliation of Commonwealth and OEEC points of view — points of view which do not appear to be far apart. At Mr. Eden's suggestion a committee in OEEC is to be set up immediately to study the Commonwealth proposals.

6. Mr. Marjolin admitted that the payments and liberalization problems were not treated adequately in the Report. It had been decided that the payments problem should be studied in detail in connection with the Managing Board's report on the future of the European Payments Union after June 30, 1953, which is due in March.

The OEEC Programme of Work for 1953

7. Following Mr. Eden's statement and statements by the Chairman of the Managing Board and the Steering Board for Trade which summed up the work of those two bodies during the past six months, the Council instructed the Secretary General to prepare a programme of work for 1953. At the same time, in order to fill the gaps in the Fourth Report, it "invited the Managing Board and the Steering Board to pursue without delay the study of the monetary and commercial problems with which they are concerned and which must be resolved urgently."

8. The statements of Mr. Eden and Mr. Wilgress were very well received by the Council. They provoked a number of further statements among which was one by Mr. Beyen of the Netherlands. Referring to the prospective approach to the U.S. Administration, he said that he hoped the approach would be made through organizations which already exist, such as the OEEC, the IMF and "whatever organization exists within the Commonwealth," and not through the medium of a World Economic Conference. He felt that the creation of a new forum of discussion would not be helpful in coming to grips with the real problems and that any world conference would have to include South American and other countries which would merely augment the problems facing Western Europe and would blur the real issues. In addition Mr. Beyen gave the impression that he wished the IMF to be "brought to life", a wish which may be attributed partly to the fact that for the past three years he has been a Director of the Fund.

9. On the question of the timing of an approach to the United States, Mr. Beyen was in full agreement with Mr. Eden "that it would be a mistake to rush events" — that the essence of a successful approach lies in careful coordination

of OEEC and Commonwealth proposals submitted after the new U.S. Administration has had ample time to find its bearings.

A.D.P. HEENEY

SECTION B

UNION EUROPÉENNE DE PAIEMENTS (UEP)
EUROPEAN PAYMENTS UNION (EPU)

SUBDIVISION I/SUB-SECTION I

PERSPECTIVES
PROSPECTS

892. DEA/4901-Q-40

La délégation permanente
auprès de l'Organisation européenne de coopération économique
au sous-secrétaire d'État aux Affaires extérieures

Permanent Delegation
to Organization for European Economic Cooperation,
to Under-Secretary of State for External Affairs

LETTER No. 70 Paris, February 19, 1952

CONFIDENTIAL

EUROPEAN PAYMENTS UNION

Reference: My letter No. 40 of January 28th.[†]

The above referenced letter described the strains being experienced in the operations of EPU and reviewed some of the difficulties confronting efforts to find ways and means of meeting these problems. It was pointed out that the EPU Managing Board had been considering what policies it might be desirable for countries to implement in the circumstances and what revisions might be made in the structure of EPU after June 30, 1952, so that the Union would be in a better position to cope with the swings being experienced in intra-European trade. This letter reports on some of the proposals the Board has been considering.

2. As the Managing Board has not yet completed its study, the proposals are still under examination and cannot be considered as final. However, we have discussed the principal problems with a number of people associated with this work and we have been shown an early draft of the Board's report. Some of the Managing Board's final opinions we therefore know. Paragraphs 3-24 of this letter are a summary of the draft report. After dealing with the problem of settling temporary surpluses and deficits (paras. 4-11), the difficulties of settling persistent extreme positions (paras. 12-24) are discussed. In this summary the present position of the Managing Board, as far as we know it, is generally indicated concerning each point. In a few cases our comments will be

found, in brackets, at the end of the paragraph. Some general comments on the problem of the persistent BLEU surplus are made in the concluding paragraphs (25-29) of this letter.

A. *Review of EPU Operations*

3. In spite of the increasing difficulties which have been confronting EPU the Managing Board considers, as it recorded in its first annual report (our letter No. 407 of September 7, 1951), that the Union has proved to be a satisfactory mechanism for intra-European payments during a period when convertibility was not yet possible. The principal role of the Union to serve as a clearing house has been fulfilled. With very few exceptions, country positions which followed a particular trend for some time were subsequently reversed. In the light of this experience the Managing Board has concluded that the conditions for gold and credit payments need not be radically revised. Nevertheless the Board considers that unless ways are found to cope with the difficulties arising from violent, though temporary, fluctuations, and more especially from the problem of persistent debtors and creditors, the continued functioning of the Union will become precarious. (The over-riding importance of appropriate national monetary and commercial policies in meeting these difficulties was underlined in my letter No. 40. In this connection we have been informed by Cahan that the final report of the Managing Board will state in no uncertain terms that the EPU debtors must carry the onus of responsibility for many of the current difficulties of the Union and for remedying the present unsatisfactory conditions pertaining to intra-European payments.)

B. *The Problem of Settling Temporary Surpluses and Deficits*

Monetary Measures

4. Having accepted that the EPU mechanism for covering temporary positions has worked satisfactorily the Board has concluded that there need be no major changes in the mechanism of the Union. In order to reduce the violence of the recent fluctuations in payments and to enable the Union to withstand them better should they reoccur, the Board has considered whether it might in future, when examining a country's position, also look into the monetary and financial policies of other countries whose positions, without causing concern, nevertheless may have a marked effect on the position of the country in question. (When the problem of German deficit was before OEEC her economic policies were examined in detail; but whether all member countries would agree to submit to the Board and to discuss with it full information about their monetary policies is by no means certain.)

Commercial Measures

5. With regard to commercial policy, the Managing Board has noted that rapid and frequent changes in liberalization measures may tend to aggravate disequilibria and to disorganize the structure of intra-European trade. It therefore has considered suggesting that countries should resort to commercial measures only in so far as adjustments in the field of monetary and financial

policies prove to be inadequate in scope or too slow in taking effect. The Board has also noted that the functioning of the Union would be facilitated if countries which have suspended liberalization measures, instead of waiting until the improvement in their position has been considerable and has been maintained for some time, would introduce some flexibility in their import controls during the period when their position in the Union has started to improve but did not yet warrant a complete return to liberalization. (At the recent special session of the OEEC Trade Committee identical views were expressed.)

Working and Modification of the Agreement

6. Recent disturbances in trade have frequently been accompanied by abnormal movements in payments, principally through concealed capital transfers, which tend to aggravate the situation. The Managing Board has therefore considered whether, in an effort to limit these movements, it might be given certain information which would enable it to foresee the possible extent of the financial movements between member countries and their incidence on the accounting positions in the Union. The Managing Board has in mind that it might obtain information about the level of working capital funds in European currencies held by commercial banks and other institutions.

7. With regard to the quotas, the Managing Board does not think they need any radical revision. Arguments in favour of a general increase of quotas might be based on the growth in the volume of trade and the rise in prices but it appears to the Board that such an extension of quotas would reduce the initiative for member countries to take in good time the necessary measures to reduce their position in the Union. As far as the Board is concerned there has never been any intention of adjusting the amount of quotas to the amount of trade at any given time. Nevertheless the Board considered that the revision of some individual quotas may be necessary (presumably BLEU, Italy and Portugal are countries whose quotas might be increased).

8. The Managing Board rejects the possibility of modifying the method of settling accounting positions by making changes in the proportions between payments in gold and grants of credit as a means to restrict the rapid accumulation of surpluses or deficits. The Board does not recommend any such changes at this time for two reasons. Firstly, owing to the pressure which is already being exercised on the monetary reserves of member countries, debtors could scarcely undertake to pay the Union higher amounts in gold. Secondly, creditor countries would find it difficult to increase the credit granted owing to general inflationary trends.

9. The Managing Board has considered two possible provisions which might make it easier for the Union to settle surpluses which, without being persistent, are yet of such an extent that the country's quota is exhausted. The first provision concerns a proposal that the whole or part of the amount due to a country in respect of payments in gold should be deposited in a "convertible account" which would be opened in this country's name in the books of the

Union's agent (The B.I.S.). The assets in this account would be useable only by the holder to settle a subsequent deficit in its balance of payments.

10. The second provision concerns a strengthening of the convertible assets. The Board has agreed that for several reasons the convertible assets should be increased. We understand that it considers that a minimun of 150 to 200 million additional dollars is required. In the Board's opinion the initial endowment of $350 million was barely sufficient to ensure the working of the Union within the limits of the quotas. Having regard to the gold payments already made through the Union to persistent creditors, the Board thinks that an increase in the convertible assets is especially necessary. The question of from where the resources for an increase in the assets might come was discussed in my letter No. 40. The U.S. representatives here are not only not prepared, at least at the present time, to consider the possibility of the U.S. contributing any dollars for an increase in the assets, but from our most recent conversations with them it appears that they are still not convinced that the reserves need be increased. The Managing Board argues that in the eyes of the creditor countries, the reserves constitute a partial cover for the credits they have granted; and for the public, the reserves are a sign of stability and confidence. To the latter point the U.S. representatives declare it is merely a case of understanding the EPU mechanism. To the former point they suggest that loans which creditors may make on behalf of the sterling and French franc areas should not have to be guaranteed by the U.S. putting up additional dollars.

11. A member of the Managing Board declared that it is unrealistic to expect member countries to make contributions to the convertible assets as long as they are in receipt of U.S. aid. Some dollars may accrue to the Union through U.S. assistance to structural debtors (Austria, Greece, Iceland and Turkey) but this source is too limited to bring the convertible assets up to the limit desired. Attention has also been given to the possibility of dollars from off-shore purchases being channeled into the Union. (There are various ways in which this might be done but they presuppose that the countries concerned will give up the free dollars they would otherwise gain. While a very substantial volume of dollars might be obtained in this way the U.S. has cautioned the Managing Board not to plan on this assumption. The U.S. is giving serious consideration to this idea but owing to many administrative difficult... being experienced in implementing the off-shore purchase programme the U.S. is uncertain how successful this programme may be.)

C. *The Settlement of Persistent Surpluses and Deficits*

Analysis

12. The most fruitful development for solving the problem of persistent surpluses and deficits would be if persistent debtors accumulated surpluses outside the EPU area enabling them to pay the Union in convertible currencies. But at the present time the dollar deficit is a major problem for almost all member countries and there is no sign of the emergence of a pattern of trade making it possible to effect triangular settlements. As the Managing Board is

of the opinion that the Union's liquid assets are not adequate to ensure certain settlement of the temporary surpluses and deficits (see para. 10 above) it therefore considers that the convertible currencies required to settle persistent surpluses can only come from outside sources.

13. If this analysis is accepted it follows that the only action which member countries can at present take to solve the problem of persistent positions is to reduce them to a level compatible with the convertible assets obtained from outside sources. The action principally required therefore mainly falls within the scope of monetary and commercial policy.

Monetary Measures

14. The recognition given by the Managing Board to the importance of debtor countries with inflationary situations taking appropriate measures to reduce purchasing power was referred to in paragraph 3 above. Conversely the Managing Board would like to see creditor countries without inflationary situations avoid restricting purchasing power.

Commercial Policy

15. Monetary measures by themselves can only provide a partial solution to the problems of countries which tend to be structural debtors or creditors in Europe. If a sharp reduction in the persistent positions of these countries becomes necessary, commercial measures also will be required. In the case of persistent creditors, in present circumstances when the convertible assets of the Union are inadequate, it has been suggested in the Managing Board that they should aim at simultaneously reducing surpluses in Europe and deficits outside Europe, i.e. a redirection of foreign trade. A programme of this nature would require careful study over a long period. It might require quota restrictions not only on imports but also on exports. In this connection the Managing Board has considered the usefulness of codifying the principles which should govern the application and removal of quota restrictions on exports, as has been done in the case of imports.

16. With regard to exchange control, the Managing Board has found that if a member country refrains from exercising strict control over exports of capital to the dollar area, that country attracts capital from other member countries and therefore tends to accumulate surpluses in Europe. Strict exchange control is therefore required.

D. *Methods of Settlement*

Debtors

17. With regard to the persistent debtors, Austria, Greece, Iceland and Turkey, the various measures described in paragraph 14 and 15 would still leave these countries with deficits to be settled by outside resources. The only source of funds is U.S. aid but in this connection the Managing Board does not yet know the size or rate of the grants which the U.S. may make. The Board is anxious, of course, to see this question settled as soon as possible as any prolonged uncertainty will tend to handicap planning for the future.

18. In the case of some countries the persistent character of their deficits in Europe would be removed if there were an inward flow of investment funds. It has been suggested that the possibility of a regular flow of long-term capital into Europe should be discussed with the I.B.R.D.

Creditors

19. The Managing Board rejects as a real solution the withdrawal or suspension of persistent creditors from the Union. While the difficulties with regard to the technical operation of the Union would be disposed of, they would continue to exist for all countries on a bilateral basis. Indeed, the solution of these difficulties might be more difficult to obtain outside the Union than inside it.

20. One proposal which has been made as a means of facilitating the settlement of the surpluses of a persistent creditor is to restore all or part of its quota by consolidating a fraction of its cumulative accounting surplus into long-term loans. The Managing Board would also like to explore the possibility of persistent debtors paying currencies of non-member countries to persistent creditors. While transfers of this nature have not been possible up to the present, the Managing Board might explore them.

21. A similar possibility is that offered by certain transactions between member countries of the Union and the International Monetary Fund. Persistent debtors might purchase from the Fund the currencies of a persistent creditor. However such transactions could only really help the efficient working of the Union if it were possible for the Monetary Fund to relax its rules of procedure. If this possibility were explored the Managing Board would of course have to enter into discussions with the I.M.F.

22. Finally, the settlement of the surpluses accumulated by persistent creditors might be facilitiated by the use of any convertible currencies held by the Union over and above the amount required by it for the settlement of temporary surpluses and deficits. Additional assets of this kind might come from various sources. The Union might acquire such funds from the use of "special resources" by the structural debtors (see para. 17), or by payment through EPU of off-shore purchases. The only other possible source of funds would seem to be an additional contribution of dollars to the Union.

E. *Some General Considerations Affecting the Settlement of the Surpluses of the Persistent Creditors*

23. As a result of the experience with BLEU certain general principles concerning the settlement of surpluses of persistent creditors have developed, the most important of which the Managing Board has thought might be put into precise form. This is the principle of making allowance for a country's position vis-à-vis the dollar area when deciding on the amount of gold payments to be made to a persistent creditor. If the country has surpluses outside the EPU area, its surplus within the Union, in so far as it exceeds its quota, would be wholly settled by the granting of credit. The principle, in other words, is that the Union's assets in convertible currencies should not be used to

strengthen a member country's monetary reserves. The Board recognizes that the equitable applicaton of this principle would require it to examine all aspects of the dollar position of a persistent creditor, including the nature of its economy and trade, the character of its dollar deficit, and whether the country was receiving any dollars in the form of U.S. aid. (It is not certain whether all countries would be prepared to accept such an examination.)

24. One of the basic principles of EPU is that the currencies of all member countries are equally valuable. However, this has never really been the situation that existed and the problems of the Union have been aggravated for this reason. It has been suggested in the Managing Board that if the transferability of European currencies is not to be invalidated, each currency as nearly as possible should be of equal "hardness" vis-à-vis the others; and that this result could be achieved by the harmonisation of internal monetary policies and by the adoption of some degree of uniformity in member countries' policies relating to imports from the dollar area.

COMMENTARY

25. Leaving aside the problem of BLEU, it would seem that as a result of some of the adjustments in the EPU mechanism described above, and assuming that the countries concerned carry out appropriate internal policies, the operations of the Union should continue to provide a reasonably satisfactory mechanism for the settlement of intra-European balances. The two most difficult debtors, France and the U.K., have implemented programmes which in time should lead to a reversal of their recent positions. The persistent BLEU surplus is the dominating problem in planning the future of EPU. Unless a satisfactory solution is found, which must involve a substantial change in the present pattern of intra-European surpluses and deficits, EPU might well collapse. The Managing Board and M.S.A. are deeply concerned about the BLEU surplus but, from our conversations with the people concerned, it seems that they have neither unanimous views nor final opinions on the most practicable action to be taken.

26. The Belgian trade surplus in Europe can be analysed on a long-run and on a short-run basis. From the long-term point of view Belgium has tended to be a structural creditor in Europe. Before the war Belgium had a surplus in European trade and a deficit with the dollar area. In fact, much of Belgian industry is concerned with processing dollar imports and selling the products in Europe. Under this trade pattern payments settlements used to be made by obtaining dollars from some of the European countries, notably the U.K. However it is not realistic at present to expect to obtain dollars from intra-European trade. It has been suggested in the Managing Board that Belgium must therefore reorient her trade and perhaps alter the structure of her industry. This is a long-term proposition and, if accepted, it follows that in the meantime special arrangements have to be made to settle the Belgian surplus.

27. From the short-run point of view there seem to be, at least in M.S.A.'s opinion, some grounds for considering the recent Belgian surplus as abnormal. Belgium ran a deficit in EPU during the months of July to November 1950

and, it is asked, might this not happen again in the near future. The growing surplus since November 1950 had its origin in the Netherland's deficit — since corrected — and found its stature in the French and U.K. heavy buying, based in part on internal inflationary situations. Assuming that the French and the U.K. positions are corrected, and Belgium pursues a more expansionist internal policy, the Belgian surplus might disappear, at least for a few years. Uncertainty about the economic developments that can reasonably be expected in the short-run seems to be preventing agreement among the Managing Board and the U.S. representatives on the arrangements that need to be made for the future of EPU in so far as they relate to the settlement of the balances of creditors who have exceeded their quota.

28. The Managing Board tends to the opinion that BLEU is permanently above the line. MSA seems to hope that the Belgian situation will solve itself along the lines mentioned in the preceeding paragraph. Discussions about the BLEU problem invariably lead to references to the policy of the Managing Board and M.S.A. concerning member countries' deficits with the dollar area. Here we find that the opinions of the Managing Board and M.S.A. are about the same. As long as BLEU cannot expect to earn dollars from her EPU partners, it is argued, it is unreasonable for Belgium to run a dollar deficit. An M.S.A. representative has even declared to us that the BLEU problem in EPU is essentially a dollar problem. As long as gold and dollars continually flow to BLEU from the Union, BLEU is as much a member of the dollar area as she is of the EPU area. What the Managing Board especially fears now is that France and the U.K. will start to regain the gold they have paid to EPU while BLEU still runs a surplus with other countries. In these circumstances the convertible assets would again start to diminish and perhaps much more seriously than heretofore. Hence the suggestion, in paragraph 24 above, that member countries might have some degree of uniformity in their policies relating to imports from the dollar area. We said that the EPU should not be permitted to become an end in itself and that any common policy towards the dollar area of the kind suggested might well move Europe even further from the goal of convertibility with European countries not "equally hard" but rather "equally soft". EPU then ceases to be a temporary mechanism but a vested interest.

29. I should be grateful to have any comments and observations you may care to make on this question and on any of the other matters raised in this letter. I expect the final report of the Managing Board will be examined by the OEEC committees with responsibilities in this field. It will also be considered at a meeting of the ministerial Council tentatively scheduled for March 24th. Should you wish us to make any comments on the questions raised we could of course do so at any of the stages of the examination of the final report of the Managing Board within the Organization.

A.R. KILGOUR
for Head of Mission

893. DEA/4901-Q-40

Le secrétaire d'État aux Affaires extérieures
au chef de la délégation permanente
auprès de l'Organisation européenne de coopération économique

Secretary of State for External Affairs
to Head, Permanent Delegation
to Organization for European Economic Cooperation

TELEGRAM 24 Ottawa, March 18, 1952

CONFIDENTIAL. IMPORTANT.

E.P.U.

Reference: Your letter No. 70 of February 19, 1952.

We have given careful thought to the proposals under consideration by Managing Board. It appears from your last two sentences in paragraph 28 that you are taking the right attitudes and we now wish you to make our point of view clear in the OEEC Council and other bodies. Your case should be built around the following paragraphs. Detailed material in the form of letters from Finance and Bank of Canada has been mailed to you.

2. One of the stated objectives of the EPU is to lead towards multilateral trade and currency convertibility. While these objectives cannot be achieved easily or quickly, and while compromises may be necessary from time to time, steps which clearly lead away from them appear to us to be economically and politically undesirable not merely from Canadian viewpoint but from viewpoint of EPU members.

3. Canada has welcomed the recent growth of European strength and solidarity as evidenced by OEEC, Council of Europe, Schuman Plan, and EDC proposals. These developments are contributing to the economic and political solidarity not only of Europe but also of the free world and of the North Atlantic Community.

4. Looking back, it is clear that OEEC liberalization programmes and payments arrangements have promoted removal of post-war trade restrictions during the reconstruction period. It is not so clear that they have promoted the long term maintenance of liberal policies in trade. Recent actions by U.K. and France to intensify restrictions show how insecure a foundation credit provides for liberalization unless accompanied by appropriate internal policies, and it may open the door to postponement of adoption of such policies.

5. EPU was set up just before Korean war. Subsequent economic and financial storms have naturally led countries scarcely able to keep their heads above water to grasp at any means of apparent support. The trouble with a regional association like EPU is that, especially in time of general emergency, the members are more likely to pull each other down than to keep each other up and their struggles lead them into deeper not shallower water. Countries suffering from inflation, instead of fighting it at its source, are tempted to meet their external deficits in part by use of regional credits, thereby simply passing

their inflation along to their neighbours, and in part by discriminatory restrictions against dollar imports. Inflation goes unchecked and, combined with the restrictions on imports, raises internal costs and further undermines exports and the balance of payments. This leads to further discriminatory import restrictions with their divisive effects, politically as well as economically.

6. We would not want you to introduce critical comments on the sterling area situation unless a proposal was made to enlarge EPU quotas, and it seemed desirable to use sterling area problems as an illustration of the undesirability of attempting to tackle EPU problems via the route of quota enlargements. However, we do believe that the fundamental remedies, which some sterling countries are now belatedly taking or considering, have been delayed and postponed because credit facilities have been too readily provided within the area. Sterling area financial crises have thus been aggravated. Further easing of EPU credit facilities, general or particular, are likely under present circumstances to lead in the same direction.

7. We are disturbed by the following suggestions particularly affecting EPU creditors which seem to lead directly away from multilateralism and convertibility:

(a) that no EPU country should expect to earn hard currency or gold from another;

(b) that any gold so earned should be used in EPU settlements only and thus cease to form part of freely convertible reserves;

(c) that the policies of each EPU country in the fields of domestic finance and external controls should approximate to the average of all (the average is clearly unsatisfactory in both fields); and

(d) that a creditor in the position of Belgium should correct its position by relaxing domestic monetary policies, and by discriminating unnecessarily against imports from Canada and other outside countries.

8. We assume that the United States is not willing to make further contributions to EPU. Our comments relating to credits and quotas are in no sense directed against the EPU as an agency for channelling essential U.S. aid to Europe.

9. We have from the outset, as you know, been worried by certain aspects and implications of EPU. Nevertheless we would not now wish to see it break down. We would like to see it carry on without much change, along the general lines indicated in your paragraphs 3 to 8. If the EPU continues to face persistent surpluses and deficits during the re-armament period it would seem to us best that these situations should be met in the future, as in the past, on an ad hoc basis. The very uncertainty as to how surpluses and especially deficits will be dealt with may make countries the less willing to see them accumulate.

894. DEA/4901-Q-40

Note de la Direction économique
pour le sous-secrétaire d'État par intérim aux Affaires extérieures

Memorandum from Economic Division
to Acting Under-Secretary of State for External Affairs

Ottawa, April 17, 1952

You may remember that one morning, early last week, we were talking with Bob Bryce[4] about the possibility — admittedly rather remote — that Canada might make a subscription this year to the EPU[5] in order to "buy" a place on its Managing Board. I pointed out that our present membership in OEEC gave us the right to attend the whole hierarchy of committees up to and including the Ministerial Council, but did not include us in two important bodies, i.e. the Managing Board of the EPU and the Steering Committee for Trade. I added that we were never likely to exercise much influence unless we put up some money to back our opinions. Moreover, if the Government was worried by criticism in Parliament because of its failure to provide economic aid for Europe, such aid could be provided by a subscription to EPU which would be a once-for-all operation and would not involve us in an obligation to make annual subscriptions.

2. The arguments against the proposal were, of course, fairly obvious. Canada is not deeply involved in EPU and neither Canada nor the United States can hope to get the European countries to "liberalize" dollar imports unless we are willing to extend dollar aid on a scale that would certainly be considered politically inconceivable. Finally, it is questionable whether a small contribution to the EPU would really increase our influence very much in OEEC circles. The Americans contribute so much more to the piper that they will almost always call the tune and unfortunately the American voice in this instance is chiefly the voice of MSA rather than State Department or Treasury which take (what we would call) a rather more balanced view of "European integration".

3. I had not intended to open up any discussion of this subject. However, shortly after our talk I had separate opportunities to raise it with both Clark and Towers. Clark, as you may guess, was not favourable towards the idea but I did not get much of a chance to explore his views. Towers was much more vigorous and outspoken. He said that he would "rather be seen dead" than make a contribution to EPU. He felt pretty sure that European trade restrictions were going to be raised against us whatever we did and that the Canadian Government would be open to grave criticism if, in an open-handed moment, it provided for assistance to the EPU and then EPU turned round and bit the hand that fed it.

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[4] R.B. Bryce.

[5] Notre copie du document porte la mention manuscrite suivante :
The following was written on this copy of the document:
European Payments Union.

4. I think that the proposal is "a dead duck"; certainly the arguments against it are sufficiently strong that I would not want to see this Department go on a crusade in its favour. Nevertheless it is something that we may want to keep in mind, and in any case I thought you would like to know of the initial reaction of Clark and Towers.[*]

A.F.W. PLUMPTRE

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895. DEA/4901-Q-40

Le représentant auprès de l'Organisation européenne
de coopération économique
au secrétaire d'État aux Affaires extérieures

Representative to Organization for European Economic Cooperation
to Secretary of State for External Affairs

TELEGRAM 108 Paris, May 29, 1952

CONFIDENTIAL

FUTURE OF EPU

1. OEEC Document C(52)130 now in your hands contains proposals of Managing Board of EPU for settling the position of certain creditors, notably Belgium, both with respect to their surpluses above the quotas in the period ending June 1952, and for the period 1952-53. Other proposals relate to an increase in the ratio of gold to credit payable by debtors, and to joint guarantees to advance money to the Union should the convertible assets fall below $100 millions.

2. The Trade and Payments Committee has been wrestling with these proposals and has failed to reach any kind of agreement. The debtor countries are reluctant to agree to make larger gold payments in future, or to guarantee the level of the convertible assets. Some of them, notably Norway and Denmark, feel that the proposed treatment of Belgian surpluses is too generous. However, we understand that, in the main, the reservations of this group might be lifted if Belgium would accept, as a minimum, the proposals made in respect to Belgium by the Managing Board. Belgium, however, has refused so far to agree to these proposals. Not surprisingly, Belgium wants the Union to pay to it $119 millions of gold (instead of $46 millions, as proposed by Managing Board) in July 1952; it wants the debtors to become liable in future for bigger gold ratios and it wants the remainder of credit given to the Union beyond its quota to be consolidated and repaid over two years by some

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[*] Note marginale :/Marginal note:
Mr. Plumptre Apr[il] 18/52. You might wish to raise this proposal again after you have been in Paris for a while. If [Graham] Towers is right that European trade restrictions are going to be raised against us & if the Europeans are justified in their fears that U.S. trade restrictions are going to increase, the N[orth] A[tlantic] Community will be split down the middle. Article 2 will be a dead duck. E. R[eid]

method which would allow Belgium to mobilize its remaining claim of 104 million dollars in the Union.

3. We understand that Stikker and a representative of the United States are going to Brussels on Tuesday to try and persuade the Belgians to agree with the majority proposals of the Managing Board, or at least to move towards a compromise. In any case EPU will constitute the main item on the agenda of the Ministerial Council meeting on Thursday, June 6th.

4. We feel that having already made our own views known on the EPU at the last Ministerial meeting it will not be necessary or appropriate for us to intervene in this present issue, although the Managing Board proposals do seem to provide a reasonable approach to a difficult problem. If you have any strong view on the proposals we should be glad to have them.

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896. DEA/4901-Q-40

Le secrétaire d'État aux Affaires extérieures
au représentant auprès de l'Organisation européenne
de coopération économique

Secretary of State for External Affairs
to Representative, Organization for European Economic Cooperation

TELEGRAM 126 Ottawa, June 4, 1952

CONFIDENTIAL

FUTURE OF EPU

Reference: Your Telegram No. 108 of May 29.

General views set out in our telegram No. 24 of March 14[7] and embodied in your statement at March meeting of Ministerial Council are held strongly here and should be put forward in appropriate ways on appropriate occasions. However, in view of nature of discussions this week, we consider it neither necessary nor appropriate for you to make another full statement at this time.

While we would agree with you that "Managing Board proposals do seem to provide a reasonable approach to a difficult problem," you should know that there is general disposition in departments concerned here to be sympathetic with Belgian position. This is based on our feeling that danger of proposed arrangements lies in their softness.

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[7] 18 mars./March 18.

SUBDIVISION II/SUB-SECTION II

EXCÉDENT BELGE
BELGIAN SURPLUS

897. DEA/4901-Q-40

Le représentant auprès de l'Organisation européenne
de coopération économique
au secrétaire d'État aux Affaires extérieures

Representative to Organization for European Economic Cooperation
to Secretary of State for External Affairs

TELEGRAM 144 Paris, June 9, 1952

CONFIDENTIAL

FUTURE OF EPU AND SETTLEMENT OF BELGIAN SURPLUS[9]

Reference: Your telegram No. 126 of June 4.

Addressed External No. 144, repeated London No. 375, Washington No. 14, Brussels No. 6. (External please pass to Washington.)

After two days of negotiations between members of a small ministerial committee, an agreement was reached on the above subjects on Saturday evening and later ratified by the entire Council, subject to certain minor reservations. The main lines of the agreement, summarized in succeeding paragraphs, will be more easily followed if you will refer to document C-52-130, containing original managing board proposals, which is already in Ottawa.

2. The Belgian surplus of 223 millions was settled in part by Belgian agreement to a quota increase of 86 millions (i.e. from 330 to 417). 43 millions of the quota increase are added to the normal Belgian loans to EPU with a consequent reduction of 43 millions from the 223 million Belgian surplus — leaving 180 millions. The remaining 43 million has already been settled to Belgian in gold outside the union. The EPU in turn will waive the rule requiring the repayment of gold received under post-quota settlements, should surpluses change to deficits, up to the total of special resources which EPU expects to receive by June 30.

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[9] Note marginale :/Marginal note:

Mr. Plumptre: This is fascinatingly complicated. I do not think we should object if U.S. can take it & if IMF rules permit such exceptional drawings. We might use the situation to prod the Belgians again on this dollar import restriction but I doubt that we should make relaxation a condition of our acquiescence. A.E. R[itchie] June 11.

3. For the remaining 180 millions,[9] EPU will pay Belgium 80 millions in gold on July 1, 1952, leaving 100 millions still to be covered. Fifty millions of this will be consolidated and repaid by EPU in five equal annual instalments beginning June 1953. However, Belgium wished this obligation to be "mobilized" by using the OEEC promise to pay as collateral.

4. It is hoped that this 50 million may be mobilized by members for benefit of Belgium as follows: member governments including United States and Canada are asked to support a Belgian application at IMF to draw 50 million dollars before end of June and to ensure that this transaction will not endanger Belgium's remaining drawing rights in the fund.[10] The Belgian repayments of this drawing are to coincide as to amounts and dates with the repayments by EPU mentioned in previous paragraph. If monetary fund aspect of this agreement is unworkable, or not agreeable to majority IMF, entire plan must be reviewed once more.

5. The remaining 50 million units of credit due to Belgium will be settled by the assumption of indebtedness by the U.K. (30 millions approximately) and France (20 millions) to Belgium, which debts are to be wiped out in two years as a result of Belgian orders for offshore procurement in U.K. and France, or by cash payments. This aspect of the deal will eliminate the present Belgian surplus with EPU. The United States undertakes to do everything possible to ensure that it, in turn, will spend a similar amount on[11] offshore purchases and infrastructure in Belgium during the two-year period.

6. Belgium agrees that future (June 1952-June 1953) post quota surpluses of Belgium will be settled on a 50 percent gold 50 percent credit basis up to total surplus of 250 millions.

7. Debtors will pay gold ratios on scale "B" referred to in managing board report despite groans from Norway and others, with probability of a special reprieve to Denmark alone. All members agree to subscribe if called upon to guarantee fund described in document 130.

8. Stikker said that this deal had to be accepted as a complete package or start negotiations all over again. If accepted, the Council would instruct the managing board to prepare formal agreements and papers for final ratification of official Council before the end of June. The Council accepted the total plan subject to a reservation by Portugal which, as a minor creditor, wanted the same treatment in some respects as Belgium, and subject to remarks of United States and Canada who were without authority at the moment to agree to

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[9] Notes marginales :/Marginal notes:
223?
-43 loans.
(-43 in gold *outside* EPU and hence not included in the accounting surplus of 223).
-80 in gold within EPU.
-50 funded against IMF drawing.
-50 funded into U.K. & French debt.

[10] Note marginale :/Marginal note:
How?

[11] Note marginale :/Marginal note:
(additional?)

support the Belgian application to the monetary fund. The United States said that it would recommend to its government and fund directors that such support be given in view of satisfactory character of the agreement as a whole.

9. You will note that this agreement is much more favourable to Belgium than the terms proposed by the managing board in document 130, and supported by majority up to the moment the ministerial committee began to negotiate. We are reporting in a despatch sent to you in Tuesday's bag on the position of contending parties before final negotiations began yesterday. Completion of agreement proceeded faster than was expected.

10. It is clear that the success of an approach to the IMF mentioned in paragraph 4 stands or falls on the attitude of United States, which expects to give its answer in four or five days. Nevertheless managing board will be interested in Canadian intentions and we would appreciate your reactions at your earliest convenience.

Note: This message retransmitted to Washington as EX-1287.[12]

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898. DEA/4901-Q-40

Le représentant par intérim
auprès de l'Organisation européenne de coopération économique
au secrétaire d'État aux Affaires extérieures

Acting Representative to Organization for European Economic Cooperation
to Secretary of State for External Affairs

TELEGRAM 192 Paris, June 18, 1952

CONFIDENTIAL

OEEC — FUTURE OF EPU AND SETTLEMENT OF BELGIUM'S SURPLUS

Reference: Our telegram No. 144 of June 9 and despatch No. 216 of June 7th.†

Addressed External No. 192 repeated Washington No. 19, Brussels No. 8. (External please pass to Washington.) Dominion London No. 414 (Dominion please pass to Brussels by air bag).

1. The Secretary-General of OEEC informed a meeting of heads of delegations today of the terms under which, according to his understanding, Belgium will be enabled to draw 50 millions dollars from the IMF as part of the package programme for the repayment of its surplus with the EPU. The Canadian Director on the IMF will doubtless have advised you on this in more detail but, for what it is worth, here is the understanding of the OEEC.

2. The United States Director has finally agreed to support a proposal that Belgium should be permitted to draw up to 50 millions dollars within its existing gold subscription. This agreement will remain firm for six months at a time unless conditions change materially and specifically unless Belgium becomes "ineligible" to draw. The drawing will be repaid at the rate of 10

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[12] Note marginale :/Marginal note:
Washington being asked to bring to Rasminsky's attention.

millions dollars per annum coinciding with the payments to Belgium by EPU itself. Should Belgium in the future wish to draw beyond the 50 millions dollars, the Fund will be prepared to consider such a request in so far as it may be consistent with the purposes of the Fund. We were told that the European members of the Fund were solid in support of this approach which is to be formally agreed upon by the Fund on Friday next. We were also told that the United States willingness to compromise had been greatly influenced by the persuasiveness of Mr. Draper.

3. Concerning the formal ratification by EPU of the plan for dealing with the Belgian surplus, it is understood that Portugal is the only OEEC member not yet willing to agree. However, this country is submitting proposals to the Managing Board and it is hoped there will be agreement within the next few days. Therefore, the member countries will be required to sign the necessary documents providing for the settlement with Belgium and for the continuance of EPU beyond June 30th under the arrangements referred to in our despatch No. 216 of June 7th.[13] It is believed that this may involve new legislation in some member countries.

Note: This telegram has been repeated to Washington as EX-1369, June 19.

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899. DEA/4901-Q-40

La délégation permanente
auprès de l'Organisation européenne de coopération économique
au sous-secrétaire d'État aux Affaires extérieures

Permanent Delegation to Organization for European Economic Cooperation
to Under-Secretary of State for External Affairs

LETTER No. 451 Paris, July 15, 1952

RESTRICTED

BELGIAN ARRANGEMENTS WITH THE INTERNATIONAL MONETARY FUND

At a meeting on July 11th, the OEEC Council adopted the following resolution without opposition and without discussion:

"THE COUNCIL

TAKES NOTE of the statement made by the Belgian Delegation regarding the arrangements made by Belgium for drawings on the International Monetary Fund;

DESIRES to record its satisfaction at the speedy and favourable response which the Fund has made to the Belgian request in this connection, which permitted the Belgian Government to give its agreement to the arrangements proposed for the settlement of the surplus of the BLEU in the European

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[13] Ces arrangements sont décrits dans le document qui précède immédiatement celui-ci.
These arrangements are described in the immediately preceding document.

Payments Union, and aided the Council in adopting the decisions required for the continuance of the Union;

HOPES that it may also be possible to have fruitful collaboration in the future between the Fund and the Organization in connection with problems of mutual concern."

2. At a meeting the previous week, a similar resolution had been put forward but it was held over. Mr. Cahan of the OEEC Secretariat, who had been present at the International Monetary Fund during the discussions there, said that he was not quite sure that the Fund would welcome such a resolution because there was some feeling that the Fund had been presented with a "fait accompli". He undertook to find out informally whether the resolution would be acceptable to the Fund. Apparently his approaches have met with a favourable response.

3. It would have been useful if this Delegation could have been supplied in advance with some report on the discussions in the Fund and any part that the Canadian representative took in those discussions. Could it be possible to arrange for us to get such reports in the future?

A.D.P. HEENEY

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900. DEA/4901-Q-40

Le sous-secrétaire d'État aux Affaires extérieures
à la délégation permanente
auprès de l'Organisation européenne de coopération économique

Under-Secretary of State for External Affairs
to Permanent Delegation to Organization for European Economic Cooperation

LETTER No. E-93 Ottawa, July 22, 1952

CONFIDENTIAL

BELGIAN ARRANGEMENTS WITH THE INTERNATIONAL MONETARY FUND

Reference: Your Letter No. 451 of July 15.

I regret that your mission was not kept fully informed of the discussions which were held in Ottawa and subsequently in Washington regarding the Belgian application to the Fund which arose out of the proposals made by the Managing Board of the E.P.U. for the settlement of the Belgian surplus. I am asking the Canadian representative in the Fund to bear in mind the continuing interest your mission has in any discussions involving the future of the E.P.U. or, for that matter, in any issues relevant to intra-European trade and payments. The current Fund consultations with Belgium, which have a direct bearing on Belgium's ability or inability to dispense with dollar import restrictions, would appear to be a case in point.

2. In the meantime, you may wish to have on record an account of the first phase of the discussions on the settlement of the Belgian E.P.U. surplus which were held in Ottawa between officials of the Department of Finance, the Bank

of Canada and this Department on June 17. In principle, the Canadian officials concerned were not inclined to support Belgium's application to draw $30,000,000 from the Fund without prejudice to her existing drawing rights. Apart from the evident unwillingness of the Belgians to relax their discriminatory dollar import restrictions, the following considerations seemed to militate against Canadian support for the special treatment the Belgians were asking the Fund to extend to them:

(a) This represented the first occasion on which a group of members of the Fund had formally agreed in an outside body to instruct their representatives to take a concerted position in the Fund.

(b) There was no apparent inclination to undertake a critical examination of the extent to which the policies of Belgium or those of the E.P.U. were consistent with the objectives of the Fund before action was taken on the Belgian application.

(c) The review of exchange restrictions applied by Belgium and other countries, which was scheduled for the near future, could hardly be effective if the Belgian application were approved without any serious questioning of Belgium's current import policies and present trends in the E.P.U.

(d) In these circumstances, it appeared that favourable action on the Belgium request might well open the door for similar applications from other countries, or other currency groups, for special treatment.

3. Although the United States Treasury Department was understood to be thinking along similar lines, it appeared likely that the United States Administration would ultimately accept Mr. Draper's recommendation that the Belgian application be supported. In the light of these prospects it was generally considered by the Canadian officials concerned that it would be inadvisable for us to "lead a crusade" against the Belgian application in the Fund. Given the fact that the European countries were already committed to support it and that any United States opposition was likely to crumble, we were inclined to adopt the following position:

(a) We would not go out of our way, in advance of the discussions in the Fund, to influence the other member countries nor would we attempt to inject our views into any interdepartmental controversy within the United States Administration. If, on the other hand, our views were sought by United States officials, we would indicate our position on the Belgian application.

(b) When the Belgian application was being discussed in the Fund we would state the reasons why we thought it should not be granted.

(c) If it appeared that the Belgian application was nevertheless likely to be approved (with the necessary United States support), we would not press our objections although we would have them recorded (possibly accompanied by a token negative vote if voting were called for).

(d) If, as seemed unlikely, the United States formally opposed the Belgian request we would probably join with them in rejecting it. In that case the Belgians and the OEEC Council would have to make another attempt to reach a mutually satisfactory settlement.

4. It subsequently transpired that the Belgian application had been submitted in a revised form. In the view of the Canadian officials concerned the revised Belgian application, which followed along the lines reported in paragraph 2 of your telegram No. 192 of June 18, appeared to be in closer harmony with the purposes and objectives of the Fund. Accordingly, the Canadian representative to the Fund was advised that it would be appropriate for him to go along with the Belgian request.

5. At the same time it was suggested, for his guidance, that he might, if it appeared desirable for him to make a statement at all, remind the Fund of the worries which Canadian representatives had expressed on various occasions concerning the possible tendency of regional arrangements to produce an unfortunate softening of the harder currencies covered by the arrangement. He might add, in this context, that Belgium appeared to have been managing its financial affairs efficiently with the result that the Belgian franc had emerged as one of the hardest currencies in Europe. It was, therefore, regrettable that Belgium was now behaving in some respects like a soft currency country and imposing restrictions not ostensibly required by her own balance of payments position. It was suggested that the Canadian representative might conclude his statement by expressing the hope that, as a result of the Fund's approval of the Belgian application, Belgium would make every effort to reverse this tendency.

6. I shall endeavour to obtain from the Canadian representative a brief report on the proceedings in the Fund and the conclusions which were reached in the discussion of the Belgian application.

A.E. RITCHIE
for Acting Under-Secretary of State
for External Affairs

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901. DEA/4901-Q-40

Le sous-secrétaire d'État aux Affaires extérieures
à la délégation permanente
auprès de l'Organisation européenne de coopération économique

Under-Secretary of State for External Affairs
to Permanent Delegation to Organization for European Economic Cooperation

LETTER No. E-133 Ottawa, August 20, 1952

CONFIDENTIAL

BELGIAN ARRANGEMENTS WITH THE INTERNATIONAL MONETARY FUND

Reference: My letter No. E.93 of July 22.

1. In my letter under reference I indicated that the Canadian representative on the International Monetary Fund who participated in the discussions relating to the Belgian application was being asked to supplement our report by providing a brief account of the proceedings in the Fund and the conclusions reached.

2. As you are aware, the revised Belgian application to the Fund differed substantially from the application as submitted in its original form. The essential points of difference were the following:

(a) The original proposal provided for a standby of $100 million whereas the final application was for $50 million;

(b) The period of standby in the final proposal was shortened from one year to six months;

(c) In the original proposal the Fund would have undertaken not to challenge the representation to be made by Belgium at the time of drawing that the drawing was in accordance with the provisions of the Fund Articles of Agreement, whereas under the final proposal such an undertaking was not given. In addition, the final decision provided for a standby charge of ¼ of 1%.

3. When the Belgian proposal finally reached the Board, it was approved rapidly and without opposition. The United States Executive Director made it clear that he could agree the more readily as the drawing fell within the Belgian gold tranche. The Canadian representative made a statement along the lines indicated in paragraph 5 of my previous letter.

4. In the meantime you will have received copies of telegrams WA-1937,[†] WA-2011[†] and WA-2074[†] from Washington regarding the Fund consultations with Belgium on the subject of exchange restrictions. A summary of the consultations will shortly be prepared by the Canadian representative on the Fund for the information of your Mission.

A.E. RITCHIE
for Under-Secretary of State
for External Affairs

SECTION C

COMITÉ DE COORDINATION DES CONTRÔLES À L'EXPORTATION
COORDINATING COMMITTEE ON EXPORT CONTROLS

902. DEA/11045-40

Le secrétaire d'État aux Affaires extérieures
au représentant auprès de l'Organisation européenne
de coopération économique

Secretary of State for External Affairs
to Representative to Organization for European Economic Cooperation

TELEGRAM 89 Ottawa, May 23, 1952

CONFIDENTIAL

CANADIAN REPRESENTATION ON COCOM

Following for Heeney, repeat to Macdonnell from Plumptre.

You told me before leaving that Bull[14] had spoken to you about the possibility that our NATO Mission might pick up the responsibility for Canadian representation on COCOM. Bull had explained his staff problems. The feeling was expressed that Guy Smith[15] (and perhaps myself) might take some responsibility in this matter. The question again came up as a result of recent visit to Ottawa of United States officials concerned with export controls who urged strengthening of our COCOM representation (on the assumption we would support U.S. policies).

2. I doubt that we need to have very strong representation on COCOM. Indeed it might be embarrassing. I sense a growing feeling here that the United States has been pressing too strongly the restriction of east-west trade. Further divisions between Canadian and American export policy might emerge in relation to Japanese exports to China. If we are going to differ from United States on these matters the place to make our views known would seem to be Washington rather than Paris. As far as administration on export controls goes we must, as you know, follow American practices pretty closely if we are to avoid controls at the Canada-US border.

3. My own feeling is that our representation and coverage in COCOM has been reasonably adequate for Canadian purposes. I do not find in Ottawa any strong desire for more detailed coverage.

4. Bull agrees that the question of Canadian representation on COCOM can best be settled by the Canadian Missions concerned in Paris and we would appreciate a recommendation. You may wish to keep in mind the fact that representation at COCOM apparently involves attendance at quite a large number of routine meetings concerned with highly detailed commodity questions. I would have thought that these meetings could best be covered by a Trade officer, but I doubt that a person as senior and as busy as Guy Smith is likely to be should give the necessary time, and I doubt that there is anyone else on our NATO Mission who would be competent or available to do the work. Gill[16] agrees with me that it would scarcely be appropriate to send an officer from this Department specially for the purpose.

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[14] Wm. Frederick Bull.

[15] R.G.C. Smith, conseiller (Production de la Défense), délégation permanente auprès de l'OECE et de la délégation au Conseil de l'Atlantique Nord.
R.G.C. Smith, Counsellor (Defence Production), Permanent Delegation to OEEC and Delegation to North Atlantic Council.

[16] Evan W.T. Gill, Direction du Personnel du ministère des Affaires extérieures.
Evan W.T. Gill, Personnel Division, Department of External Affairs.

903. DEA/11045-H-40

Note du sous-secrétaire d'État aux Affaires extérieures
pour le secrétaire d'État aux Affaires extérieures

Memorandum from Under-Secretary of State for External Affairs
to Secretary of State for External Affairs

SECRET Ottawa, August 27, 1952

During the week of July 26, meetings were held in Washington between representatives of Canada, France, Japan, the United Kingdom and the United States to consider the most effective way of associating Japan with existing export control policies and procedures.

The United States favoured a separate Far Eastern Organization, but, in the face of the strongly held views of France and the United Kingdom, finally agreed that the most effective way would be for Japan to join the Paris Consultative Group on Export Controls.

In the report of these meetings which will be submitted to the Consultative Group, it will be recommended that Japan be invited to become a member of the Group and its Coordinating Committee. There will also be the additional recommendation that a separate working group be established to be called the "China Committee" that will be responsible for the development of the detailed aspects of export control policy in respect to China, as laid down by the Consultative Group.

These recommendations are in line with the instructions given to our representatives at the meetings, and are concurred in by Mr. Howe.

If you agree, I would propose that we advise our delegate to the Consultative Group that he may accept the report and its recommendations.

L.D. W[ILGRESS]

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904. DEA/11045-40

Extrait d'une lettre du directeur, Service des denrés
du ministère du Commerce
à la Direction économique

Extract from Letter from Director, Commodities Branch,
Department of Trade and Commerce
to Economic Division

CONFIDENTIAL Ottawa, September 9, 1952

Dear Ed [Ritchie]:

It seems timely to make note of changes which have developed since May in our attitude towards COCOM. Since Wynne will be our representative at the meeting welcoming Japan into the Co-ordinating Group, he may need to be told of our present thinking. The situation is not now quite as described in despatch No. 789 of May 23rd[17] which he sent to the Permanent Representative to NATO.

All along the Americans have pressed strongly for other governments to contribute more towards finding a common policy in COCOM. Some officials in Washington hold the view that the U.S. alone is attempting to get effective controls established on Iron Curtain country trade. In the recent Five Power talks the Americans only accepted the compromise solution after other countries agreed to strengthen the working group in Paris.[18]

It is becoming a more urgent matter for us to solve various problems with the Americans. We are working out of a period of critical shortages in many materials. Canadian industry is, of course, more dependent on export trade than is American. Adopting U.S. policy holus bolus we find ourselves refusing licences for such items as antibiotics, plastics, and petro-chemicals, for instance, while traders in European countries take the business. Our export control is more far reaching than that of most European countries in its scrutiny of ultimate destination. It seems to be true also in comparison with the U.S. since American antibiotics are freely offered in bulk in markets with which we and the Americans are only licensing a limited volume of business. Both in commodity lists and in commercial practices the only logical solution is a common front for all COCOM countries.

There is not any wider divergence between Canadian and American export control policy than previously but resolving differences is becoming more important.

We are not seeking to air our differences in Paris. That is not the object. We still strive to arrive at a common understanding with the U.S. here. We are finding, however, the argument which carries the greatest weight with them is insistence on a common policy in the wider group. They very much want a common purpose with Canada in COCOM and we have it on the authority of Karl Anderson[19] that they might well modify their policies on some points to get it. What we want, therefore, may be obtained most easily by pressing for a universal front within the COCOM group and it changes our attitude towards our activities in COCOM.

The volume of papers coming out of COCOM committees is now sometimes as high as 200 pages a day. Many of these are working documents only and yet at present they are our main source of information on how thinking is developing. We are not giving adequate coverage to the committee work in Paris nor do we feel we can even concentrate on issues of considerable importance to us without additional staff for liaison work with these committees in Paris.

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[17] Non retrouvée./Not located.

[18] Note marginale :/Marginal note:

Bull has talked to Under-Secretary.

[19] Karl Anderson, sous-directeur du Bureau du Commerce international, département du Commerce des États-Unis.

Dr. Karl Anderson, Deputy Director, International Trade Office, Department of Commerce of United States.

I personally agree with your viewpoint that COCOM should not be the concern of the NATO Mission. As you pointed out, fringe countries who will not join NATO co-operate with COCOM. With Japan added to the Group and with the formation of the China Trade Committee, there is an added reason along the same lines. The bulk of the business in the Co-ordinating Group as well as in the working parties concerns detail of commodities and trade practices and is primarily commercial work. The whole of it is very far removed from what I imagine to be the general pattern of activities of the Mission. This introduces a serious staff problem which we are studying.

Yours sincerely,

DENIS [HARVEY]

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905. DEA/11045-H-40

Le représentant auprès de l'Organisation européenne
de coopération économique
au secrétaire d'État aux Affaires extérieures

Representative to Organization for European Economic Cooperation
to Secretary of State for External Affairs

TELEGRAM 455 Paris, September 10, 1952

RESTRICTED

COCOM — JAPAN

1. Following from Plumptre, Begins: I understand I am to attend coming meeting of Consultative Group. Would appreciate general guidance and instructions.

2. I understand some European countries are none too anxious to "welcome" Japan. How far are we committed to make the running or can we leave this chiefly to the other four countries with whom we reached agreement in Washington a month ago. Ends.

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906. DEA/11045-40

Le secrétaire d'État aux Affaires extérieures
au représentant auprès de l'Organisation européenne
de coopération économique

Secretary of State for External Affairs
to Representative to Organization for European Economic Cooperation

TELEGRAM 331 Ottawa, September 15, 1952

SECRET

COCOM — JAPAN

Reference: Your telegram No. 455 of September 10.

Repeat to: The Canadian Ambassador, Paris. No. 591.

Following for Plumptre, Begins: You should support the Washington recommendations, but you need not take the lead in the discussions.

2. As you know, it was opposition from France and the United Kingdom to a Far Eastern organization that persuaded the United States to accept Japan joining COCOM. In Washington Japan expressed opposition to a separate organization in Tokyo and while the United States may still be lukewarm to the proposals before the Consultative Group, we would not expect any attempts to revive the initial United States proposals, although the possibility cannot be entirely ruled out.

3. France and the United Kingdom will probably take the lead in advocating Japanese inclusion in the Group and may well act to bring others in line before the meeting.

4. In these circumstances we believe you should simply state our position and avoid any encouragement to the United States or others should there be attempts to change the findings of the Washington meetings.

5. En route to you by mail (enclosed with letters from Ritchie to Plumptre, and from Harvey to Manion)[20] is a re-appreciation of our interest in COCOM which includes indications that we are taking a far more active interest than previously. In this connection you will be aware that the United States was most insistent for all necessary strengthening of national representations on COCOM as a condition for its acceptance of the compromise found in the establishment of a China Trade Working Committee. Ends.

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907. DEA/11045-40

L'ambassadeur en France
au secrétaire d'État aux Affaires extérieures

Ambassador in France
to Secretary of State for External Affairs

TELEGRAM 860 Paris, September 19, 1952

SECRET

1. The consultative group met yesterday and today, the principal subjects under discussion being the formation of the China Committee and the question of secrecy.

2. After a formal welcome to the Japanese delegates, in which we participated as members of the Washington group, the meeting quickly got down to the problem of Far East trade and the formation of a China Committee. The matter was badly presented at the outset and many countries got the impression that there was an attempt to restrict membership at the expense of other nations which had valid interests.

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[20] Non retrouvées./Not located.

3. Partly as a result of an intervention on our part, by which we proposed that the nucleus of the Committee should consist of member countries which undertook the responsibility of continual attendance (and not the privilege of membership) but that it would be open to all countries as a forum for their opinions with respect to their own special interests, it was decided — subject to a reservation by Germany — that the five proposing Powers which participated in the Washington talks should form the nucleus of the Committee. The Chairmanship, which had originally been proposed to Canada, will be left to the decision of the Committee.

4. The China Committee will in many ways, though not in words, be considered as a sub-committee of the Coordinating Committee (COCOM) its terms of reference being the following:

The China Committee will circulate its recommendations to all members of the Paris group. Decisions will be reached in one of the following ways:

(i) If no objection is received within a time limit (normally of 30 days) the recommendations will be regarded as decisions accepted by the whole group.

(ii) The governments which have participated in the discussion in the China Committee may agree that they themselves will, either at once or within a specified time, put into force the recommendations subject to their being put into force by certain other governments.

(iii) The governments which have participated in the discussion in the China Committee may agree that, either at once or within a specified time, they will themselves in any case put into force the recommendations.

5. Meetings of the China Committee are likely to start within the next fortnight.

6. On the question of secrecy, the matter was shelved by referring it back to COCOM for a preliminary assembly of press excerpts indicating the extent of previous official and unofficial revelations. COCOM will then present its views for later decision by the consultative group but may in the meantime take such measures as may be unanimously agreed upon. It is perhaps interesting to note that most countries insist upon the principle of secrecy, subject to reservations for the purpose of internal security, politics or propaganda.

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908. DEA/11045-H-40

L'ambassadeur en France
au secrétaire d'État aux Affaires extérieures

Ambassador in France
to Secretary of State for External Affairs

TELEGRAM 1074 Paris, December 6, 1952

SECRET

EXPORT CONTROLS: CHINA COMMITTEE

Reference: Our telegram No. 1064 of December 3.[†]

A report on the meetings of the China Committee held this week is being sent to you in a separate despatch, together with a copy of an important United States policy statement.† The committee have also suggested that member countries should give their reply to the budget proposals, contained in our telegram No. 1064 by December 10 at the latest. In this telegram are discussed a number of special problems that have arisen as a result of the decision of the China Committee to begin its meetings immediately.

(a) *Representation*

2. During the past week the China Committee held four meetings, with a total duration of about eighteen hours. This appears roughly to be the anticipated weekly schedule of work. The committee will frequently meet at the same time as COCOM. At the present time COCOM is meeting every day from about 9:30 to 7.

3. As we have explained in previous despatches, our interest in the subject now under discussion by COCOM is limited and Stone,[21] our Assistant Commercial Secretary, our usual representative, has of course not attended on a full time basis. Stone for one month now has been alone in the Commercial Secretary's Office, and it would have been clearly impossible for him to devote his full time to COCOM. After the New Year, however, subjects will again be discussed by COCOM that are of essential interest to Canada.

4. The meetings of the China Committee have to date been attended by an officer from the Chancery. The heavy schedule of meetings has left Stone little time for his normal Embassy duties.

5. At the time of the five power meeting in Washington, when it was decided to create the China Committee, Canada participated with four other nations in a joint declaration in which we undertook to strengthen our representation at Paris. Every other delegation, including some of those who are not permanent members, have strengthened their delegations. At the present time the United States has fourteen officers on export control matters alone. The United Kingdom and Japan have four full time officers. Every other delegation has at least one full time representative for each of COCOM and the China Committee.

6. The problem of Canadian representation on COCOM has been the subject of a considerable exchange of correspondence between this Embassy and the Department over the past year. Our failure to produce continuous full time representation on this body has exposed us to severe criticism from other delegations here in Paris, and has led to the rumour that Canadian export control policy is dictated entirely by the United States.

7. The earlier decision to send Mundy to Paris to serve full time on export control matters seemed to answer our problem. However, the subsequent decision to send Mundy to NATO leaves us once more with the problem of finding representation for COCOM and the China Committee from existing

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[21] J.H. Stone.

Embassy resources incuding the Commercial Office which is for the moment under strength.

8. We have discussed this question with Smith, who will assume the direction of the Commercial Office at the beginning of the year, and with Stone. They feel, and we agree, that a representative from the Department of Trade and Commerce is best fitted to attend the meetings of both the committees concerned with export control. It is also our agreed view that as a minimum this work requires the full time services of a capable officer of at least intermediate rank (preferably with some experience in Canada in export control work), with the understanding that he would be able to draw when required for assistance on the Commercial Secretary's Office, provided the latter was at its full strength of three officers.

9. We understand from your letter No. B-1321 of November 27,† that the Department of Trade and Commerce have promised to send additional staff to the Commercial Office for this purpose. Stone has already written direct to Heasman emphasizing the urgency of the problem. The purpose of this telegram is to reinforce his observations and to emphasize to you that our interests and reputation may suffer unless an adequate solution can be found quickly.

(b) *Security*

10. As you are aware, our Commercial Office is not equipped with security safeguards in keeping with the high degree of secrecy which should surround the work on export controls. In these circumstances, if the Canadian Government decides to post a new officer for full time export control work, we recommend that he make his headquarters at the Chancery. In this way he would have immediate access to Embassy records and communications. On the other hand, if he were to work at the Commercial Office on Rue Scribe, the present arrangement, which is both inconvenient and incompatible with security regulations, would have to continue.

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909. DEA/11045-H-40

Extrait du télégramme de l'ambassadeur en France au secrétaire d'État aux Affaires extérieures

Extract from Telegram from Ambassador in France to Secretary of State for External Affairs

DESPATCH 1885 Paris, December 8, 1952

SECRET

EXPORT CONTROLS: CHINA COMMITTEE

Reference: Our telegram No. 1064 of December 3, 1952.

While most of this week's meetings have been devoted to organizational and procedural questions, policy statements were delivered by the United States Delegation and by the Japanese Delegation.

. . .

4. At a meeting on December 15 other governments will be requested to make policy statements. I would be pleased to have your instructions as to whether you wish the Canadian Delegation to make such a statement. As a permanent member, I believe we should. If we choose to speak, our address might take the form either of a separate policy statement or it might comment on the approach and procedures suggested in the United States paper. Since we do not possess detailed information on Canadian policy towards Communist China, it would be helpful if you could cable us, before December 15, your suggestions and comments for such a statement.

A.A. DAY[22]
for Ambassador

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910. DEA/11045-H-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur en France

Secretary of State for External Affairs
to Ambassador in France

TELEGRAM 793 Ottawa, December 13, 1952

SECRET

EXPORT CONTROLS: CHINA COMMITTEE

Reference: Your Despatch No. 1885 of December 8.

Your Despatch under reference just received. Time does not permit us to let you have a policy statement by December 15. We hope to let you have this statement at an early date. Please report statements made by other Delegations.

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911. DEA/11045-D-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur en France

Secretary of State for External Affairs
to Ambassador in France

TELEGRAM 811 Ottawa, December 26, 1952

SECRET. IMPORTANT.

EXPORT CONTROLS: CHINA COMMITTEE

Reference: Your telegram No. 1110 of December 19.

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[22] Le ministre-conseiller à l'ambassade en France.
Minister-Counsellor, Embassy in France.

We believe that a statement along the following lines would accurately reflect Canadian views on trade with China and the functions of the China Committee:

2. The Canadian authorities welcome the establishment of the China Committee as an expression of the desire of the member governments to arrive at a common understanding through mutual agreement and multilateral consultation on the type of trade security controls that should be applicable to Communist China.

3. At the present time Canada prohibits the export to Communist China of all goods on the Munitions List, the International Lists and the China Supplementary List in accordance with the commitments accepted in COCOM. Canada also observes the embargo on the shipment of arms and strategic materials to China and North Korea approved by the General Assembly of the United Nations.

4. The Canadian authorities have supported the general attitude in COCOM that controls on trade with Communist China should be more stringent than those applied to Soviet bloc countries in Europe, but they are doubtful that more restrictive controls would serve a useful purpose and be effective.

5. They are prepared to cooperate with other members of COCOM in assisting them in maintaining their policy on commodity trade, and to that end would not allow a movement through Canada of exports to China which would not be permitted a direct export by the country of origin.

6. In Canada restrictions applied on direct trade with China are enforced equally on trade in transit through third countries. This applies to Canadian trade with Hong Kong and Macao and similar possible transit points. While an IC/DV[23] system would be valuable as a reassurance against the diversion of commodities in trade with Southeast Asia, unless such a system were relatively complete, it could only be of marginal benefit. The political difficulties of making it complete should be fully realized.

7. In considering controls for the Far East due regard must be given to all the implications of the imposition of too stringent controls in certain areas, particularly Macao and Hong Kong. These areas may well warrant special consideration and control action should be based on a full review of factual data.

8. In respect to the work of the China Committee, it is recognized that the Committee may consider it necessary to add items to the Supplementary List for embargo or quantitative control. The Canadian viewpoint is that these additions should be considered on their individual merits while taking into account that China would not be permitting the importation of most of these items as a foreign exchange conservation measure.

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[23] Import Certificate/Delivery Verification. Un système selon lequel un importateur doit garantir la destination finale des marchandises avant qu'elles ne soient exportées.
A system in which an importer must ensure final destination of goods before such goods will be exported.

9. That all members should agree on a common embargo list is to be desired, and the Committee should concern itself principally with those items which would lead to a curtailment of the war potential of the Communist countries in the Far East. This would appear to be the primary task of the Committee. Controls which are really practical and efficient, affecting commodities of genuine strategic significance, might be agreed upon at an early stage and from these common measures, the multilateral approach could be extended to consider common control for a wider range of items as the requirement becomes apparent.

2e PARTIE/PART 2

RELATIONS AVEC DES PAYS PARTICULIERS
RELATIONS WITH INDIVIDUAL COUNTRIES

SECTION A

BELGIQUE : RESTRICTIONS À L'IMPORTATION
BELGIUM: IMPORT RESTRICTIONS

912. DEA/4901-Q-40

L'ambassadeur en Belgique
au secrétaire d'État aux Affaires extérieures

Ambassador in Belgium
to Secretary of State for External Affairs

TELEGRAM 15 Brussels, January 21, 1952

CONFIDENTIAL

BELGIAN IMPORT RESTRICTIONS

Reference: My telegram No. 193 of December 20th.

We have today received a note dated January 19th signed by Meurice, Minister of Foreign Commerce, in reply to our note of December 19th. Note states that Belgian delegate at "contracting parties" on October 22nd outlined the considerations which obliged the Belgians to take the step in question. "Belgian Government maintains the point of view expressed by its representative on that occasion." Note then continues that in view of settling Canadian Government's representations Meurice (group corrupt) asked his colleagues to re-examine the whole question of maintaining restrictions on imports from the dollar zone "in the light of the facts of the present situation and of the experience gained during recent months while the restrictive measures have been in force." Note concludes that they will inform us as soon as possible of the results of this re-examination. Text of note is being forwarded by next bag.

2. We are giving a copy of this Belgian note to the United States Embassy who have not yet had a reply but will give us a copy of their reply when received.

3. Belgian promise to re-examine the whole issue seems fairly promising. On the other hand Baron Snoy, former Secretary General, Foreign Ministry and one of Belgium's most influential Civil Servants on economic side mentioned to Arnold Smith last week that there was some possibility that Belgium might have to tighten up dollar restrictions as they were becoming concerned about dollar reserve prospect. This remark was made during the course of a dinner and unfortunately not, repeat not, elucidated.

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913. DEA/4901-Q-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur en Belgique

Secretary of State for External Affairs
to Ambassador in Belgium

DESPATCH E-151 Ottawa, March 29, 1952

CONFIDENTIAL

BELGIAN IMPORT RESTRICTIONS

You will recall that the Belgian Government, in their reply to our diplomatic note of December 19, indicated that the existing restrictions on the import of goods from the dollar area would be fully reviewed in the light of the experience gained during the period in which these restrictions had been in force. Their reply also suggested that the results of this review would be communicated to us in due course.

2. We have been somewhat disturbed in the past few weeks by developments in the European Payments Union which would tend to confirm our earlier fears that the Union might be progressively compelled to abandon its objective of promoting multilateral trade and payments. In this connection you will have noted the recent communications from our Mission to the O.E.E.C., copies of which were referred to you, in regard to the proposals which the Managing Board is now putting before the members of the Union. As part of these proposals it is recommended that members harmonize their internal monetary policies and adopt some degree of uniformity in the control of imports from the dollar countries so as to make their currencies as nearly as possible equally hard and transferable. Our views on these proposals were embodied in telegram No. 24 of March 18[24] which instructed our O.E.E.C. Mission to submit them formally to the Council of the O.E.E.C. when the proposals of the E.P.U. Managing Board came up for consideration. A copy of this telegram was referred to you for information.

3. In the meantime, also, the Belgians have submitted to the O.E.E.C. an outline of the measures which they have been taking in an effort to reduce their chronic surplus position in the E.P.U. From the Belgian memorandum, which is embodied in document C(52)53 of March 6,[†] it would appear that the

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[24] Voir le document 893./See Document 893.

decline in the level of imports from the dollar area during the last four months of 1951 has been considerable, amounting in certain instances to over 50% of the monthly average volume of dollar imports in the first six months of the same year. The Belgian memorandum, moreover, goes on to state that still more rigid restrictions are under consideration with a view to diverting imports of an annual value of $50,000,000 from the dollar area to E.P.U. countries. These are developments which would tend to contradict the more optimistic note struck by M. Gérard, the Belgian Director General of Foreign Trade, in the conversation you reported in your despatch No. 64 of February 1.†

4. In the light of these trends we should like you to make a further approach to the Belgian authorities on this question. There would seem to be relatively little advantage in our presenting another note at this time, since we could do little more than reiterate the point of view put forward in our previous note and, orally, to the Contracting Parties to the G.A.T.T. However, you should recall to the Belgian authorities that they had promised to let us have, in due course, a substantive reply to the views we had put before them in our note and that we should be interested to learn what conclusions had been reached as a result of the full-scale review of the dollar import controls which had been undertaken. You should add that the Canadian Government had been disturbed to learn that an intensification of these controls was apparently now under consideration and that, in our view, such a move would seriously jeopardize the maintenance of the traditional commercial links between our two countries. If, in the course of your discussion, the Belgians relate their intensification of the existing dollar restrictions to their general position in the European Payments Union, you should be guided by the instructions contained in telegram No. 24 to our O.E.E.C. Mission.[25]

H.O. MORAN
for Secretary of State
for External Affairs

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914. DEA/4901-Q-40

L'ambassadeur en Belgique
au secrétaire d'État aux Affaires extérieures

Ambassador in Belgium
to Secretary of State for External Affairs

TELEGRAM 69 Brussels, April 18, 1952

CONFIDENTIAL

BELGIAN IMPORT RESTRICTIONS

Reference: Your despatch E151 of March 29th.

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[25] Note marginale :/Marginal note:
I agree. J.B.C. W[atkins] Eur[opean] Div[ision].

Addressed External No. 69, repeated (information) London No. 22 and OEEC Mission, Paris, No. 7 (London please pass to Paris).

1. Today spoke to Meurice, Minister of External Commerce (who is also temporarily Acting Minister of Foreign Affairs) in the sense of your instructions.

2. In reply, the Minister said the views I had just expressed were precisely those he himself held. But several conflicting pressures were being exerted which he could only confront as best he could. Belgium's traditional policy was, of course, free trade and freedom from controls. This was still the policy supported by the Ministry of External Commerce.

3. But, he added, it had to be borne in mind that the development of a huge EPU surplus and the internal difficulty of financing (necessary?) advances had transferred primary responsibility in the matter to Finance Ministry.

4. Again at OEEC, Belgium was being enjoined in no, repeat no, uncertain manner to increase her imports from member countries and to restrict her imports from dollar zones. Such an injunction had greatly strengthened the hand of the Finance Ministry in demanding controls.

5. Another factor was the National Bank which was pretty nearly an autonomous body. In his view the bank was excessive (group corrupt) but its power was such that, if it should issue a communique to the effect that the government's trade policy threatened the strength of the currency, no, repeat no, government could remain in power.

6. The influence of these two powerful agencies, i.e., the bank and the Finance Ministry, was being directed towards the maintenance of a solid currency to the exclusion of almost everything else and the Minister gave Smith and myself clearly enough to understand they, and not, repeat not, he, had gained the decision.

7. Nevertheless, he continued, the serious view taken by the Canadian Government would give him opportunity to raise the question once more before the Ministerial Committee for Economic Coordination both from legal or contractual aspects and as well as from substantive economic and financial points of view.

8. He promised to inform me as to what the result might be. He also asked if his technicians might consult with us while preparing their briefs, to which course I readily agreed.

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915. DEA/4901-Q-40

L'ambassadeur en Belgique
au secrétaire d'État aux Affaires extérieures

Ambassador in Belgium
to Secretary of State for External Affairs

TELEGRAM 77 Brussels, May 2, 1952

CONFIDENTIAL

BELGIAN IMPORT RESTRICTIONS

Reference: My despatch No. 276 of April 21.†

Addressed External No. 77 repeated London No. 24, OEEC Paris No. 8 (London please pass to Paris).

1. I have today received a note signed by Meurice, Minister of External Trade, in reply to our representation of April 18. Operative part of note states that the Belgian Government regrets that present situation does not, repeat not, permit it to give up at this moment the dollar import restrictions. However, after the conclusions of International Monetary Fund and GATT working party on the question are known, the Belgian Government will not, repeat not, fail to re-examine the question. Pending the findings of these international organizations the Belgian Government is fully confident that the Canadian Government will understand that discriminatory measures, of which we complain, have been shaped exclusively by pressing considerations of a monetary nature.

2. Text of note follows by bag.†

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916. DEA/4901-Q-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur en Belgique

Secretary of State for External Affairs
to Ambassador in Belgium

TELEGRAM 108 Ottawa, August 26, 1952

CONFIDENTIAL

DOLLAR IMPORT RESTRICTIONS

As you are aware, International Monetary Fund has now concluded consultations on exchange restrictions with Belgium. Fund reached conclusion that relaxation of exchange restrictions was feasible in existing circumstances and requested Belgium to review necessity for present level of restrictions affecting dollar imports.

Fund conclusion is likely to have important bearing on consideration of Belgian dollar import restrictions in GATT during forthcoming session of Contracting Parties. It will, in any case, be difficult for Belgians to continue to maintain that import restrictions are to be regarded as necessary solely to give effect to exchange restrictions applied in conformity with Fund Articles of Agreement.

We are at present engaged in preparation of material for guidance of our GATT Delegation. In this connection it would be most helpful if you could ascertain, on purely personal and informal basis, what action Belgian authorities are likely to take in light of Fund conclusions.

917. DEA/4901-Q-40

L'ambassadeur en Belgique
au secrétaire d'État aux Affaires extérieures

Ambassador in Belgium
to Secretary of State for External Affairs

Telegram 152 Brussels, September 4, 1952

Confidential

DOLLAR IMPORT RESTRICTIONS

Reference: Your telegram No. 108 dated August 26.

1. Today informally spoke to Gerard, Director General, Department of External Commerce, who said that as OEEC had both counselled and recommended Belgium to impose dollar import restrictions, which counsel had subsequently been confirmed by William Draper (and, while this may or may not be strictly accurate, Homer Fox, United States Economic Counsel here, believes them to be absolutely sincere in this contention), their next step was officially to invite this body's attention to adverse United States (Southard) conclusion recently approved by Board of International Monetary Fund and to seek OEEC's further advice in view of this apparent conflict of opinion between responsible and important United States authorities.[26] In Gerard's view, this conflict of opinion was as yet by no means resolved.

2. In view of forthcoming session of GATT Contracting Parties they judged this reference to OEEC to be a matter of urgency and his understanding was that it would be made in course of next few days.

3. He also understood generally question of discrimination, as opposed in particular to Belgian question, was likely to be discussed at International Monetary Fund meetings soon to be convened in Mexico and it was of course possible that whatever conclusion would there be reached, if any, might influence OEEC in contribution they were expected to give Belgium.

4. As a consequence of all this, the attitude of Belgian delegation to GATT could not, repeat not, be foretold, for everything obviously depended on OEEC reaction in Paris and action to be taken in Mexico.

5. It may possibly be of interest to report that Gerard also said Belgium had drawn up a dollar export bonus scheme but that its implementation had been held up pending results of Paris and Mexico meetings.

P.S. Reference Washington telegram WA-2133 of August 27th.[†] Gerard made no, repeat no, mention of possible relaxation of restrictions.

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[26] Note marginale :/Marginal note:

It was never my impression that OEEC "counselled and recommended" this action, but rather M.S.A. though OEEC certainly condoned it, on the grounds Belgium had a $ problem. The conflict of opinion appears to be between different U.S. Agencies. [J.B.C. Watkins]

918. DEA/6000-H-40

Le représentant auprès de l'Organisation européenne
de coopération économique
au secrétaire d'État aux Affaires extérieures

Representative to Organization for European Economic Cooperation
to Secretary of State for External Affairs

TELEGRAM 488 Paris, September 17, 1952

CONFIDENTIAL

BELGIAN DOLLAR IMPORT RESTRICTIONS

Reference: Telegram No. 152 from Brussels to External September 4.

Addressed External No. 488 repeated to Brussels No. 14 (by bag).

1. OEEC Secretariat has received no indication of any Belgian plan to reopen question of Belgian dollar import restrictions in EPU on the basis of the adverse recommendation of the Monetary Fund. However, the senior member of the Secretariat whom we consulted remarked that such a move would be "a typical Belgian manoeuvre".

2. If the matter does come up in OEEC, we shall, of course, be guided by the attitude already taken by the Canadian representative in the FUN.[27]

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919. DEA/4901-Q-40

La délégation permanente auprès de l'Organisation européenne
de coopération économique
au sous-secrétaire d'État aux Affaires extérieures

Permanent Delegation to Organization for European Economic Cooperation
to Under-Secretary of State for External Affairs

LETTER No. 1027 Paris, October 1, 1952

RESTRICTED

BELGIAN DOLLAR IMPORT RESTRICTIONS

When Isbister was in Paris yesterday, he told us that, following instructions, he expected to go after the Belgians pretty strongly at the GATT meeting in Geneva, now that their appeal to the Fund had ended, not in the exoneration which they had anticipated, but in condemnation.[28] He asked whether we had any views.

2 We replied that we saw no reason for his holding back. We would only suggest that our position in OEEC would be strengthened if he could give some support to the view, actively fostered by Marjolin, that there should be much closer collaboration between EPU and the Fund. If the matter ever came back

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[27] Probablement «Fund»./Presumably "Fund".

[28] Voir le document 387./See Document 387.

into OEEC (and there seemed some possibility that it would) our position was in danger of being completely isolated; and we would be more comfortable if Canada had explicitly supported Marjolin in GATT as suggested above.

A.D.P. HEENEY

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920. DEA/4901-Q-40

Le secrétaire d'État aux Affaires extérieures
au représentant auprès de l'Office européen des Nations unies

Secretary of State for External Affairs
to Representative to European Office of the United Nations

TELEGRAM Air 3 Ottawa, October 10, 1952

CONFIDENTIAL

BELGIAN DOLLAR IMPORT RESTRICTIONS

We understand that our OEEC Delegation suggested that you might wish, at an appropriate opportunity, to give support to view that closer "co-operation" between Fund and EPU would be useful. This view is evidently strongly held by Marjolin and, as you are aware, was also put forward by EPU Managing Board in its recently published Second Annual Report.

2. While we do not know precisely what type of "co-operation" between the two organizations Marjolin has in mind, we are not particularly happy about context in which EPU Managing Board proposal appears. Moreover, in view of ambiguity of terms "co-operation" and "collaboration" and possible tendency to misinterpret any statement we might make on this issue, we feel that, if statement is to be made at all, it should be in specific language and avoid use of these ambiguous terms.

3. We assume our OEEC Delegation was thinking primarily in terms of a statement which would give expression to our hope that Fund objectives are kept in mind in formulation of EPU policy and that, in specific case like that of Belgian restrictions, conclusions reached and recommendations put forward in Fund are given careful consideration by EPU with a view to appropriate remedial action. If carefully circumscribed statement along lines suggested in preceding sentence would strengthen the position of our OEEC Delegation, in the event that the Belgians are unwilling to undertake relaxation of current restrictions without prior reference to OEEC, there would probably be no objection to your making it in a suitable context.

921. DEA/4901-Q-40

Le secrétaire d'État aux Affaires extérieures au représentant auprès de l'Office européen des Nations unies

Secretary of State for External Affairs to Representative to European Office of the United Nations

TELEGRAM 109 Ottawa, October 15, 1952

CONFIDENTIAL

BELGIAN IMPORT RESTRICTIONS

Following comments by Perry[29] are designed to supplement views previously communicated to GATT Delegation by Deutsch and Rasminsky, Begins:

2. The explanatory remarks submitted by the Fund's managing director to the contracting parties were intended to clarify the decision taken by the executive directors in the Belgian case.

3. In concluding the 1952 consultation under Article XIV with Belgium, the Executive Board declared in effect that, in its considered judgement, a relaxation of restrictions is feasible for Belgium. The Belgian executive director sought and secured from the Executive Board the further explanation, however, that in stating this judgement the Fund was not, repeat not, invoking the exceptional circumstances clause of Article XIV, Section 4.

4. The exceptional circumstances procedure has never been invoked by the Fund and presumably would only be employed in those extreme situations where all other reasonable efforts had failed. Once started, the exceptional circumstances procedure might conceivably terminate in a fund action either:

(i) Making the affected country ineligible to use the resources of the Fund; or

(ii) Bringing about the eventual withdrawal of that country from Fund membership.

5. The Board decision, however, made it clear that in the view of the Fund the Belgian Government could relax some of the transitional restrictive measures presently being maintained under Article XIV of the Fund agreement. The explanatory remarks submitted by the managing director should not be interpreted as a qualification of the substantive decision taken by the Executive Board. Ends.

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[29] G.N. Perry, conseiller (Affaires financières), ambassade aux États-Unis.
G.N. Perry, Counsellor (Financial), Embassy in United States.

922. DEA/4901-Q-40

Le représentant auprès de l'Office européen des Nations unies
au secrétaire d'État aux Affaires extérieures

Representative to European Office of the United Nations
to Secretary of State for External Affairs

TELEGRAM 130 Geneva, November 3, 1952

CONFIDENTIAL

BELGIUM IMPORT RESTRICTIONS

Reference: My telegram No. 17 of Oct. 9th to London and telegram No. 3 of October 10 and No. 109 of October 15th from Ottawa and No. 28 of Oct. 14th from London.[30]

Following from GATT Delegation, Begins: Repeat to Paris and Brussels.

1. In plenary session on October 29 Belgian delegation made statement on their dollar import restrictions. Text of this statement was negotiated in advance with United States delegation and ourselves. Belgian statement and our reply are going by air bag along with summary record of meeting.

2. After referring to statements and letter of International Monetary Fund Suetens said Belgium is "justified in proceeding (group corrupt) in its return to a regime of freedom from quantitative import restrictions. Meantime, the Belgian Government proposes as a first step to introduce the following relaxations: First, to increase significantly the list of goods on its free list; Second, to unify the two lists which provide respectively for prior approval and complete prohibition in principle so that licences for all products not on, repeat not on, free list will be examined on their merits; Third, to pursue a more liberal policy with respect to import of these products." Suetens went on to indicate that these measures will have been put into effect in the course of the next two or three months.

3. It is understood that the way is now open for us to make representation in Brussels on items to be included in free list.

4. The French delegate intervened to say that proposed Belgian measures of relaxation might adversely affect interests of other contracting parties in view of the existence of a general and structural dollar problem (2 groups corrupt) no, repeat no, satisfactory solution is in sight. He referred in particular to repercussions on European Payments Union and on European economy of more liberal measures envisaged by Belgian Government. This idea was further developed by Netherlands and Italian delegates.

5. The United States delegation replied to the French statement by saying United States had always regarded European Payments Union as a transitional measure and wished to avoid creation of continuing preferential arrangement in Europe.

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[30] Les télégrammes 17 et 28 n'ont pas été retrouvés.
Telegrams 17 and 28 are not located.

6. We replied to the French statement by indicating our disappointment at the use of any joint arrangement among western European countries to discourage a country in the position of Belgium from relaxing its import restrictions consistently with its international obligations.

7. There was no opportunity in (group corrupt) of these discussions to raise the point referred to in your air telegram No. 3 of October 10th, 1952. Ends.

Note: Repeated to Paris as No. 679 and Brussels as No. 139.

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923. DEA/4901-Q-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassade en Belgique

Secretary of State for External Affairs
to Embassy in Belgium

DESPATCH E-489 Ottawa, December 3, 1952

CONFIDENTIAL

BELGIAN IMPORT RESTRICTIONS

Reference: Telegram No. 130 of November 3, from GATT Delegation.

You will recall that the Belgian delegation to the Seventh Session of GATT gave to the Contracting Parties an undertaking that the Belgian government would shortly take preliminary measures towards relaxing its dollar import restrictions. Our delegation expressed satisfaction with this proposal and stated that we welcomed the Belgian initiative as a first step towards the elimination of their restrictions.

2. Specifically, the Belgian government proposed to introduce the following relaxations within two or three months:

"First, to increase significantly the list of goods on its free list; second, to unify the two lists which provide respectively for prior approval and complete prohibition in principle, so that licences for all products not on the free list will be examined on their merits; third, to pursue a more liberal policy with respect to the imports of these products."

3. We have been considering the list of commodities affected by the dollar restrictions to determine which commodities of interest to us would be most likely to benefit by the removal of the restrictions. In doing so, we have confined ourselves for tactical reasons to a small number of goods and we have decided on the following four commodities:

Belgian Tariff Item No.	
71	barley
72	oats
ex 121	canned lobster
835 *a* 2	harvesting machines

4. The restrictions on barley and oats apply to imports from all countries. However, as they were instituted only in January, 1952, and as Canada is by far the leading supplier of these products to Belgium, we feel that we have a strong case for asking for their removal. As regards canned lobster and harvesting machines, Belgian statistics credit Canada with being the largest dollar supplier.

5. I should be grateful therefore if you would now make representations to the Belgian authorities requesting the removal of import restrictions on the above four commodities under the import policy announced at Geneva. In doing so you should take note of the fact that the relaxations which the Belgian representative promised to institute were described by him as a first step in a return to a regime of freedom from quantitative import restrictions. It should be understood therefore that we are merely suggesting four items for inclusion in the forthcoming list which the Belgium government has promised will be a significant addition to the goods on the free list. You should indicate that the Canadian government will also continue to look forward to the removal of additional items as quickly as possible until all of Belgium's discriminatory measures against dollar goods have been abolished.

6. Finally, you should express our understanding that, as a result of the declared Belgian policy of freedom from import restrictions, Belgium will not introduce any new discriminatory import restrictions which would have a harmful effect on dollar trade. In this connection we have in mind the Belgian intention to place an embargo on the import of assembled automobiles at the beginning of 1954. However, you should not make any reference to this specific case. We feel that, as the United Kingdom and the United States have a much larger stake in the Belgian automobile market, we should let them make the representations on this problem and reserve our own bargaining power for commodities in which the United States does not have so great an interest. Moreover, it would probably be unwise as a matter of tactics to associate the automobile matter, which lies in the future, with the question of the relaxation of existing restrictions.

R.M. MACDONNELL
for Under-Secretary of State
for External Affairs

924. DEA/4901-Q-40

L'ambassadeur en Belgique
au secrétaire d'État aux Affaires extérieures

Ambassador in Belgium
to Secretary of State for External Affairs

TELEGRAM 198 Brussels, December 23, 1952

CONFIDENTIAL

BELGIAN IMPORT RESTRICTIONS

Reference: Your letter E488 of December 3[31] and my telegram No. 196 of December 18.†

Addressed Ottawa No. 198, repeated Canac Paris No. 9 (London please pass).

1. This morning I saw Meurice, Minister for External Trade, and made representations as instructed in your letter under reference, also leaving note, copy of which I am transmitting by bag.†

2. Meurice said that he welcomed our representations which he described as particularly timely since his department are at present engaged in efforts to enlarge a very limited proposal for additions to the free list which has been delivered to Interdepartmental Committee by Ministry of Economic Affairs. The Minister, Meurice indicated, is trying to keep to a minimum practicable concessions in implementation of policy promised at Geneva, whereas he and his Department favour "maximum practicable liberalization." Meurice said he was determined to carry to Cabinet Committee his Department's differences of opinion with Economic Affairs Ministry; but he suggested it would strengthen his hand if we also made representation direct with latter Ministry. I am therefore arranging to have my counsellor call on Baron Snoy, Secretary General of Ministry of Economic Affairs, for this purpose.

3. Meurice again referred to embarrassment caused him by the fact that the United States representative at OEEC encouraged dollar import restrictions and suggested Belgian Finance and Economic Affairs Ministries tended not, repeat not, to distinguish adequately between Canadian and United States positions and had impression "(both?) associate members of OEEC" at least "went along" with dollar restriction policy. We assured Meurice that Canadian delegation in Paris had never supported such a policy and had consistently indicated Canadian Government's opposition to it.

4. Meurice seems to suggest his Government might be prepared to adopt proportionately more liberal attitude to imports from Canada than from the United States. He promised to study very carefully and sympathetically the particular items whose inclusion on free list we requested and to do all he could with his colleagues.

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[31] E-489 ; le document précédent./E-489; the preceding document.

5. Meurice was most cordial as always. Unfortunately he is not, repeat not, one of the strongest members of the Cabinet. In view of his portfolio, official representation must be addressed to him, but I hope also to have a word informally with one or two other relevant ministers during the next week or so.

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925. DEA/4901-Q-40

L'ambassadeur en Belgique
au secrétaire d'État aux Affaires extérieures

Ambassador in Belgium
to Secretary of State for External Affairs

DESPATCH 831 Brussels, December 31, 1952

CONFIDENTIAL

BELGIAN IMPORT RESTRICTIONS

Reference: My telegram No. 198 of 23rd December, 1952.

You will recall that when I saw M. Meurice, Minister of External Commerce, on 23rd December, he suggested that representations might also usefully be made informally to officials of the Ministry of Economic Affairs. Baron Snoy, Secretary-General of that Ministry, had been out of town for the past week, but Mr. Arnold Smith of my staff called on him this morning. After outlining briefly the Canadian attitude to Belgium's quantitative dollar restrictions, and referring to the undertaking given by the Belgian Delegation at Geneva, Mr. Smith told Baron Snoy of the representations which I had made last week to M. Meurice and left with him a copy of the note which I had given him on that occasion.

2. Mr. Smith naturally stressed the Canadian Government's hope that barley, oats, canned lobster and harvesting machines would be included in the new additions to the free list which are expected to be announced shortly, pointing out Canada's particular interest in the trade in these items. Following the suggestion of M. Meurice, reported in my telegram under reference, he expressed the hope that in the promised significant relaxation of dollar restrictions there would be evidence that the dollar zone was not merely considered globally, and that Canada's particular position and interests would be taken into careful consideration. We were of course conscious that our trade balance with Belgium was very much in our favour, but the expansive method of working towards a more balanced trade was infinitely preferable to the restrictive method, and in this regard we did all we could to assist Belgian imports into Canada. In this connection the recent Order-in-Council exempting Belgian sheet glass from the dumping duty, that would otherwise have had to be applied under Canadian law (your dispatch E.502 of 11th December, 1952 refers),† was mentioned, as was the Trade Fair next spring and our hope that Belgian participation in it this year would be an active and successful one.

3. The psychological and political importance of having an early and really significant extension of the free list was also mentioned. Maintenance of the

goal of multilateralism, and real progress toward achieving it, was in the Canadian view of importance to the long-term political as well as economic well-being of the Atlantic Community. Restrictions tended to encourage uneconomic industries and to rigidify the division of the western world into distinct blocs.

4. Baron Snoy promised to study the four items concerned "very sympathetically". He said that he hoped it would not be too difficult to deal liberally with these items, since all of them, except canned lobster, were essential to the Belgian economy. Snoy remarked, however, that the fact that an item was not on the free list did not necessarily mean that it would be restricted, as permits might well be issued quite freely. Some items were included in List B merely because the Belgian authorities felt that they had to keep an eye on the trade in question, perhaps to control re-exports, e.g. of strategic materials. Mr. Smith admitted that for some commodities permits have been issued fairly freely, but nevertheless stressed the importance we attached to including these four items on the free list itself, thus avoiding the uncertainty which inevitably affected trade in items included in List B.

5. On the more general question of multilateralism Baron Snoy said that he had always shared our view, but that during the past couple of years he had begun to grow very sceptical about the feasability of any real and permanent solution to the dollar problem. Belgium was inevitably part of the European community and could not dissociate herself too much from the general Western European pattern. Only action by the United States, to increase imports or to provide financial assistance in one way or another, could enable Europe and the Sterling area to progress toward real multilateralism and eventual convertibility.

6. In this connection Snoy said that he was not too clear how successful the recent Prime Ministers' Economic Conference in London would prove to be — it *all* depended, according to what he had heard from his friend in London, on the policies to be adopted by the new American administration. Snoy felt that the first statements which he had seen by the Secretary of Commerce-designate were not such as to make him very optimistic. Mr. Smith said that our understanding was that the Canadian Delegation to the Economic Conference in London were reasonably satisfied that significant progress had at last been made, though admittedly concrete results remained to be seen. Meanwhile, with a sounder approach being undertaken in London, it would be very unfortunate if the Belgian authorities should seem to be losing faith in the possibility of achieving the multilateral goals to which we had all subscribed.

7. While he naturally made no firm commitments, Snoy undertook to do what he could to meet our request. He was I think sincere in this. But it seems clear that despite the Belgian Government attitude expressed at the GATT Session in Geneva (which M. Meurice had told us was the product of very energetic discussions between his Department and Economic Affairs, and of a furious interchange of telegrams between the Delegation and Brussels), Baron Snoy himself is by no means convinced of the desirability (or practicability as he put it) of a full Belgian return to non-discrimination.

8. Regarding timing, Snoy said that it was hoped that the inter-departmental committee concerned would have a tentative program for addition to the free list prepared by mid-January or shortly thereafter. This would then have to be discussed with the Dutch under Benelux arrangements, and Suetens would then announce it in Geneva, sometime in February. We shall of course endeavour to get advance information on the Belgian decisions. Meurice Pope.

MAURICE POPE

SECTION B

FRANCE : IMMIGRATION

FRANCE: IMMIGRATION

926. DEA/232-W-40

L'ambassadeur en France
au secrétaire d'État aux Affaires extérieures

Ambassador in France
to Secretary of State for External Affairs

DESPATCH 279 Paris, February 25, 1952

CONFIDENTIAL

EMIGRATION TO CANADA FROM FRANCE

Reference: Our Despatch No. 1565 of October 30, 1951.

In our despatch under reference we said that the French authorities would reflect further on their feelings of dissatisfaction with Canadian immigration policy and would in due course approach the Embassy. This approach has now been made. On February 13 Mr. Fournier,[32] First Secretary, was asked to call at the Ministry of Foreign Affairs and was handed a Note Verbale. Copies of this are enclosed together with a memorandum by Mr. Fournier recording his conversation with M. Serres, Directeur des Affaires Administratives et Sociales.†

2. The note, which is rather petulant and contains a number of inaccuracies, calls for a considered reply. On the whole I think we have managed fairly successfully over the last year and a half, since Canadian immigration regulations were broadened, to conduct an immigration policy in France with the at least tacit approval of the French authorities when that policy is distinctly unpopular in a number of French circles and is capable of giving rise to political repercussions. The drain on a particular automobile factory or aircraft plant or mining area can cause dislocations which are of serious concern to the management and to government departments. This reflects itself in political pressures on the Ministry of Foreign Affairs (sometimes on the Embassy directly) and in addition there are explosive political issues in the

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[32] Jean Fournier.

whole question of "desertion" from France to a safer, wealthier and happier country.

3. You are well aware of these considerations as is the Department of Citizenship and Immigration. There has been a realistic understanding of the delicacy of the situation in France and all concerned on the Canadian side have worked together to keep our immigration policy sufficiently under wraps to avoid antagonizing the French too much, while at the same time bringing a very creditable number of French emigrants to Canada. Obviously if we were to antagonize the French authorities they would find ways of making life difficult for the Paris immigration office.

4. We now have to concoct a reply to the Ministry of Foreign Affairs which will endeavour to set things on the rails again and allow us to continue our immigration operations as in the past. I have discussed the question fully with Mr. Cormier,[33] head of the Immigration Office in Paris, and it seemed to us that you might find it helpful in considering this question with the Department of Citizenship and Immigration if we were to prepare a draft reply to the Ministry of Foreign Affairs. I accordingly enclose copies of a rather rough draft embodying the points which might be made.†

5. The draft reply may be summarized by saying that it refutes misstatements, renews our promises not to carry on a recruiting campaign and indicates more clearly than ever before our willingness to avoid embarrassing particular plants or industries. Mr. Cormier has done this on a number of occasions by deferring or postponing action on visa applications. Sometimes it is a temporary affair when new workers will be trained in a matter of six or nine months. Sometimes it is a more long-range question as with Italian workers brought to France, whom the French Government are anxious to keep here and whose applications Mr. Cormier is leaving aside more or less indefinitely. In our final sentence we say that it is always open to the French authorities to apply their own controls to emigration. After all we cannot undertake to do the French Government's policing for them. If they wish to deny an individual the right to emigrate they can do it easily enough in one way or another (e.g. by refusal of the passport). You may have other thoughts about this, but it seems to us desirable just to remind the French gently that they cannot shift their responsibility in this matter to our shoulders. If they ever reach the point of deciding that certain categories of persons should not move to Canada, it is for them and not for us to make the regulations. If a time were to come when, to pick a random example, radar or aircraft technicians could not emigrate to Canada, we ought to be in a position to say publicly that this resulted from a decision of the French Government which we would obviously respect.

6. Your comments on this question in due course will be appreciated. In view of the importance of the question you might prefer to prepare in Ottawa a French version of whatever reply is to be sent in order to be certain that the shadings and nuances are what you have in mind.

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[33] O. Cormier.

7. There is also the point that while in our draft we have used the term "Canadian authorities" throughout, you may feel the matter sufficiently important to justify the use of the stronger term "Canadian Government." Our suggestion is that when a reply is ready it should be taken to the Ministry of Foreign Affairs and discussed with them by an External Affairs representative and Mr. Cormier. This will give an opportunity to elaborate verbally on the contents of our note and explain orally any points which you might wish us to make but are better omitted from a written communication.

R.M. MACDONNELL
for Ambassador

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927. DEA/232-W-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassade en France

Secretary of State for External Affairs
to Embassy in France

DESPATCH C-493 Ottawa, April 25, 1952

CONFIDENTIAL

EMIGRATION TO CANADA FROM FRANCE

Reference: Your despatch No. 279 of February 25, 1952.

I attach a Note Verbale (in English and French†) which has been prepared in consultation with the Department of Citizenship and Immigration and which attempts to reply to the points raised by the French Ministry of Foreign Affairs in their Note Verbale of February 13, 1952, on the subject of French emigration to Canada.[34]

2. As you will notice, I have used a substantial part of your draft Note Verbale, adding a few considerations however to make it perhaps more acceptable to the French authorities. I have avoided, for instance, any reference (as suggested in the last sentence of your draft Note) to the possibility of the French authorities applying "their own controls to emigration." This would appear to me to force the issue and to invite precisely the action which we are at pains to avoid.

3. I realize the difficult conditions under which the Visa Office has been operating in France, but, as you state, our immigration programme in France has been quite successful in the last year and a half and has resulted in the admission of considerably more immigrants than was expected. We should therefore avoid giving the impression that we are losing patience at a time when the French authorities are apparently giving signs of impatience over the much-publicized emigration movement out of the country to Canada or, as you suggest, are under severe pressure to put an end to the movement of "desertion" from France.

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[34] Non retrouvée./Not located.

4. It is by no means certain that the present Note will bring a change of heart on the part of the French authorities who may already have made up their minds on some drastic measures to stop or at least cut down the flow of emigration to Canada. In this event, any representation we make might well encounter deaf ears and evoke no response. I think, however that it is worthwhile to make a further attempt to clear the atmosphere.

5. I agree with your suggestion that our Note Verbale should be discussed on presentation with officials of the Ministry of Foreign Affairs. I leave it to you to decide who should attend the meeting, but at least a senior officer of the Embassy and the Officer-in-Charge of the Visa Office should, I think, be present. I believe that the enclosed version of the Note Verbale should cover all the points we want to make and could serve as an adequate basis for further verbal explanations, if necessary.

ESCOTT REID
for Secretary of State
for External Affairs

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928. DEA/232-W-40

L'ambassadeur en France
au secrétaire d'État aux Affaires extérieures

Ambassador in France
to Secretary of State for External Affairs

DESPATCH 797 Paris, May 21, 1952

CONFIDENTIAL

EMIGRATION TO CANADA FROM FRANCE

Reference: Your despatch No. C.493 of April 25, 1952.

A meeting was arranged at the Ministry of Foreign Affairs on May 16 at which the note verbale which accompanied your despatch was presented. On the French side the chief participant was M. Serres, Head of the Division of "Affaires Administratives et Sociales" (which deals with immigration questions and which drafted the French note verbale) who had with him several officials from his division and an official from the American Division who has just taken over the Canadian and United States desk. On the Canadian side I accompanied Mr. Cormier, the officer in charge of the Visa Office. I was still Chargé d'Affaires a.i. at the time so that the note was presented by the most senior person available.

2. I asked Mr. Cormier to read the "Note Verbale" to the assembled French officials and after that to give an informal account of the procedure actually being followed by his office in dealing with applications for visas from French citizens and aliens.

3. M. Serres then rehearsed, without undue emphasis, all the familiar French reservations about emigration from France to Canada. However he said that he had been very interested in Mr. Cormier's account of the policy followed by the

Visa Office, which met most of the French difficulties. He drew attention, however, to one point which Mr. Cormier had not covered and that was the suggestion which the French have put forward on a number of occasions that it would be preferable to ensure that no Frenchman sets out for Canada without a firm "contrat de travail" in his pocket. Mr. Cormier and I repeated what has been said to the French on previous occasions, that there was no likelihood of the Canadian authorities being willing to accept this suggestion. M. Serres gave the impression that he did not intend to pursue the matter, though of course it may be raised again at some time in the future. The remaining point which he felt should be explored further was the position of skilled labour in key industries. As you know the French have been worried about drains on their skilled manpower, particularly in those industries which can be regarded as essential to national defence. Here M. Serres said that he believed we could find a solution if we approached the problem "empiriquement et pratiquement," which is another way of stating our own offer to cooperate with the French authorities by way of appropriate administrative action.

4. It was agreed at the end of the meeting that the following steps would be taken:

(a) Mr. Cormier will write to M. Serres outlining the present practice of his office in dealing with visa applications. This is simply to confirm the oral statement which he made at the meeting and has now been done;

(b) The Ministry of Foreign Affairs will circulate this statement to interested Government Departments;

(c) In due course there will be a meeting of technical experts with Mr. Cormier to consider what measures of administrative cooperation might be feasible.

5. I think that the meeting was helpful in that it showed the French authorities once again our willingness to meet their views as far as possible without losing sight of our primary objective of attracting immigrants from France. M. Serres remarked at one point, with reference to the language of the two notes verbales, that we could now put aside polemics and get down to the business of seeing what practical problems remained and how they could be solved. This is certainly acceptable to us, since we have no desire to become engaged in controversy and it was the French who introduced into the correspondence any overtones that might be termed polemical. I do not anticipate that the steps outlined in the preceding paragraph will be completed with any great rapidity.

R.M. MACDONNELL
for Ambassador

SECTION C

RÉPUBLIQUE FÉDÉRALE D'ALLEMAGNE
FEDERAL REPUBLIC OF GERMANY

SUBDIVISION I/SUB-SECTION I

UNIFICATION

929. DEA/10935-G-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis

Secretary of State for External Affairs
to Ambassador in United States

DESPATCH S-339 Ottawa, February 16, 1952

SECRET

THE UNIFICATION OF GERMANY

Reference: Para. 8(a) of your despatch No. 162 of January 21.[†]

It is often said that the unification of Germany is the one desire common to all Germans. In a sense this is true but the bare statement raises a number of questions. For example, what sort of reunified Germany do the Germans want — a communist, a socialist, a capitalist or a neo-Nazi one? Does unification include the return of the Saar and the territories east of the Oder-Neisse Line now in Polish hands? Do the Germans want unification if it means the withdrawal of all occupation forces leaving a neutral Germany unarmed and vulnerable?

2. These questions are intended not to suggest that Canada is either for or against the unification of Germany but merely to show that the phrase needs definition. The possible results of unifying Germany in present circumstances must be clearly seen before we declare ourselves for such action.

3. Having said this, we can go on to state that in principle Canada favours eventual German unification on a right basis but believes that it is not practical politics to urge it now. The Minister for External Affairs, speaking in the House of Commons on October 22, 1951, gave clear expression to the Canadian Government's point of view when he said:

> "Unity, based on free self-government, must one day come to Germany, and, if it is on the right basis the sooner the better; but it must not come in such a way that a united Germany will be forced to go the way of a united Poland and Czechoslovakia and become a united Russian satellite..."

4. We are of the opinion, therefore, that the integration of Germany, even if it is only of a truncated country, in the family of free nations, should precede unification. Although a more limited objective than unification, integration with the West is a more realistic and more easily attainable one. To achieve it

Canada is supporting, at least by implication since we are not immediately concerned, the following Allied policies:

(a) The satisfactory conclusion of the contractual agreements between the United States, the United Kingdom and France on the one hand and the West German Federal Republic on the other;

(b) The participation of Germany in the European Defence Community, which will involve the association of Germany with the purposes of NATO;

(c) The resumption of full normal relations between Germany and the other western countries.

5. We also agree with the view held by the Allies that their position in Berlin must be retained. We have indeed kept a Military Mission there to show our support and to hearten the West Berliners. When the unification of Germany becomes possible, Berlin may once again be a capital of a united Germany and it is important that the West remain there against that day.

6. While we are moving towards the integration of the Federal Republic with the West, we must make it clear in all our dealings with Germany that we have no intention of sacrificing German interests in order to come to terms with the Soviet Union. In this connection it would be well to keep in mind the efforts made at the recent General Assembly of the United Nations by various nations, including Canada, to facilitate all-German elections. The point to emphasize here is that the Government of the East Zone, acting almost certainly on Soviet orders, has refused to allow the United Nations Commission to conduct its investigation in their part of Germany.

7. Care should always be taken not to lose sight of the eventual peace treaty with Germany. It should be emphasized that Soviet intransigence is the real stumbling-block to the conclusion of such a treaty. It is the hope of Germany's former enemies in the West that a peace treaty would settle such outstanding matters as Germany's frontiers, the problem of Berlin, and, of course, the unification of the country. Some idea of the difficulties to be overcome can be gathered from a review of the difficulties encountered by the Allies in their efforts to achieve a peace settlement in Austria which has but one government whereas Germany has two.

8. Canada has not been one of the powers occupying Germany and has, therefore, not been a direct participant in the negotiations concerning the replacement of the Occupation Statute by a series of contractual agreements. We are, nevertheless, concerned in such matters as the stationing, payment and legal status of Allied troops in Germany, and the treatment of war criminals. As a member of NATO Canada has an interest in the negotiations for the establishment of a European Defence Community which will include Germany, and particularly in the relationship between the projected defence community and NATO. As one of the Allies in the last war it would of course expect to take part in the eventual peace settlement. Until that time Canada shares the desires and supports the efforts of the Occupying Powers to restore as much sovereignty to West Germany as is compatible with the realities of the international situation. Canada believes that a united Europe is only possible

through Franco-German rapprochement and that the inclusion of Western Germany in the Schuman Plan, the European Defence Community and any other projects which may further the integration of Europe can succeed only if they are firmly founded on this rapprochement.

J.B.C. WATKINS
for Secretary of State
for External Affairs

SUBDIVISION II/SUB-SECTION II

COMMERCE/TRADE

930. DEA/10399-40

Note de la Direction économique
pour le sous-secrétaire d'État aux Affaires extérieures

Memorandum from Economic Division
to Under-Secretary of State for External Affairs

RESTRICTED Ottawa, September 16, 1952

TRADING RELATIONS BETWEEN CANADA AND GERMANY[35]

Mr. Goldschlag of this Division attended a meeting convened by the Department of Trade and Commerce yesterday afternoon for the purpose of giving an opportunity to Prof. Ludwig Erhard, the West German Minister of Economic Affairs, to discuss specific aspects of Canadian-German economic relations with the officials primarily concerned. As you are aware, Prof. Erhard had previously conferred with Mr. Howe on some of the broader economic issues affecting the Federal Republic's commercial relations with Canada.

2. Prof. Erhard opened the discussion by saying that his Government was impressed by the great economic future which lay in store for Canada and would wish to collaborate in the development of Canadian resources. He had come primarily to explore the possibilities of expanding the volume of trade between the two countries. Inasmuch as his Government followed a liberal trading policy similar to that of the Canadian Government, his visit was not, he stressed, intended to lead to the negotiation of any bilateral arrangement but to assess Canadian export availabilities and to discuss ways and means in which German exporters could capture a larger share of the Canadian market. Although Germany was now a net creditor in the European Payments Union, she was still confronted and would for some forseeable time continue to be confronted by a dollar shortage which made it necessary for her to increase her sales to the dollar area. Germany's particular interest in Canada has been reflected in the degree of German participation in the International Trade Fair which, the Minister added, had been a pronounced success insofar as his country was concerned.

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[35] Note marginale :/Marginal note:
Noted with great interest. W[ilgress]

3. In reply Mr. Sharp of the Department of Trade and Commerce assured Prof. Erhard that the Canadian Government would be pleased to see an increase in our trade with Germany. No obstacle was being placed in the way of German exports to this country and, while the Government could not direct Canadian importers in their purchases, it would do its best to encourage the efforts of German exporters to enter the Canadian market. Mr. Sharp then asked the Minister to raise any specific issues he had in mind. The ensuing discussion is summarized in the following paragraphs.

Pork

4. Domestic prices for pork were increasing in Germany and the German Government would be interested in importing substantial quantities, in forms other than canned, during the next three to four months. Although he was not in a position to enter into definite commitments, Prof. Erhard thought that German purchases would amount to something in the neighbourhood of $5,000,000, if the price were satisfactory. There was a strong possibility that Germany could become a permanent market for Canadian pork.

5. Prof. Erhard was told that the current Canadian surplus amounted to some 40 to 50 million pounds. The price for frozen carcasses would be roughly 30 to 32 cents per pound f.o.b. Montreal. On this basis, Germany might purchase approximately 15 million pounds. The Department of Agriculture would look into the price question in more detail and it was agreed that a memorandum outlining the Canadian position would be provided to Prof. Erhard by the Canadian Commercial Secretary as soon as possible after his return to Bonn.

Metals

6. Germany is interested in increasing her purchases of nickel, iron ore, copper and, to a lesser extent, aluminum in respect of which the supply situation was softening. Any increase in German purchases would, of course, have to depend on Canadian export availabilities.

7. Officials of the Departments of Trade and Commerce and Defence Production suggested that, while there were certainly export surpluses of these commodities, there were also export commitments. As Prof. Erhard was aware, the Canadian Government did not direct sales of raw materials. On the other hand, the impact of defence production on the availability of the raw materials the Germans had in mind was lessening and we could hold out definite hope for easier availability in the future.

8. Prof. Erhard added that the amounts of these raw materials which Germany could purchase were difficult to forecast at this stage and depended, to some extent, on German sales of machinery, machine tools and precision instruments to Canada. He thought, and the Canadian officials concerned agreed, that it might be desirable for a group of German industrialists to come to Canada and assess the potentialities of the Canadian market, with particular

reference to the type of products normally imported by Canada from the United States.

Lumber

9. There was a definite and permanent interest in Canadian lumber in Germany. While Prof. Erhard was not in a position to give any figures of approximate import requirements, it was agreed that this question would be pursued by the Department of Trade and Commerce through their Commercial Secretary in Bonn.

Trade Fair

10. Germany had been pleased by the results of German participation in the 1952 Fair, and the Government had already decided that Germany would be represented again in 1953, probably on a more extensive scale.

Export Bonuses

11. In reply to a question, Prof. Erhard said that German exporters were permitted to retain part of their earnings from sales to the hard-currency countries. On the other hand, the German Government had conceded the "right of retention" to exporters only reluctantly and in self-defence against countries where this system had been introduced. The German Government shared the feeling of the International Monetary Fund that the export bonus system should be eliminated and would be prepared to do so as soon as other countries agreed to do likewise.

East-West Trade

12. Prof. Erhard suggested that the potentialities of German trade with Eastern Europe had been somewhat over-estimated. Even in normal pre-war times this trade had never accounted for more than 15% of Germany's total trade. Accordingly, while it could not be denied that the resumption of trade with the East would help, the present Western orientation of German trade was bound to be a permanent feature.

German Assets in Canada

13. A prolonged discussion developed on the question as to whether or not Germany could enter into bilateral discussions with Canada on this subject. Subject to clarification of the legal implications of the provisions of the Paris Agreements and the contractual arrangements which are shortly to be ratified, the Germans would like to discuss this matter with the Canadian Government. This would not necessarily mean "negotiation", and it would cover not only German assets but also the question of German trade marks and patents.

A.E. RITCHIE

SUBDIVISION III/SUB-SECTION III

FOIRE COMMERCIALE DE BERLIN
BERLIN TRADE FAIR

931. DEA/12490-AW-3-40

Le sous-secrétaire d'État adjoint aux Affaires extérieures
au sous-secrétaire d'État aux Affaires extérieures

Assistant Under-Secretary of State for External Affairs
to Under-Secretary of State for External Affairs

CONFIDENTIAL Ottawa, June 20, 1952

GERMAN INDUSTRIES TRADE FAIR,
BERLIN, SEPTEMBER 19-OCTOBER 5, 1952

On May 21, 1952, the Ambassador of the Federal Republic of Germany addressed an invitation to Canada to participate in the above-mentioned Fair. The invitation stated that "in view of the fact that Berlin may be considered as the show-window of the free world behind the Iron Curtain, the German Government would highly appreciate it if the Government of Canada would consider favourably such a participation."

In transmitting it to the Department of Trade and Commerce for consideration, we directed their attention to this statement, adding

". . .You will recall in this connection that the Tripartite Declaration of May 27 on Germany and the European Defence Community refers to Berlin in the words: 'The security and welfare of Berlin and the maintenance of the position of the three Powers there are regarded by the three Powers as essential elements of the position of the free world in the present international situation.' Canada's maintenance of a military mission in Berlin is evidence of Canadian willingness to help maintain the Allied position there. Participation in the German Industries' Fair would therefore, in our opinion, be a logical consequence of this policy."

Confidential despatch No. 477, of June 7,† from Bonn (flagged for your information) confirms this opinion.

Although the Canadian Government Exhibition Commission were at first doubtful whether they could arrange anything worth while for the Fair, both because of their limited financial resources and of their previous commitments in overseas exhibitions, they have since agreed, in the light of Mr. Davis'[36] despatch, to reconsider the matter, as will be seen from the attached telegram† which they have now requested us to send to our Ambassador in Bonn.[37] Would you please initial it if you approve?

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[36] T.C. Davis, ambassadeur à la République fédérale d'Allemagne.
T.C. Davis, Ambassador in Federal Republic of Germany.

[37] Note marginale :/Marginal note:
Sent. 21.6.52

I think that Canada should have an exhibit at this Fair to help make the Western shop-window as attractive as possible. Both European and Economic Divisions concur in this. By showing our interest in the welfare of a strategically located city whose communications, commercial and other, are continuously threatened by Soviet interference tactics, we would certainly help strengthen the morale of the citizens in their struggle to remain free and independent. Moreover, we would at the same time be reciprocating the Western German contribution to the Canadian International Trade Fair. You may, therefore, think it advisable to approach the Deputy Minister of Trade and Commerce in order that a definite and favourable decision may be taken as soon as possible. Would you prefer to do this verbally or in writing?[38]

H.O. M[ORAN]

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932. DEA/12490-AW-3-40

Le sous-secrétaire d'État aux Affaires extérieures
au sous-ministre du Commerce

Under-Secretary of State for External Affairs
to Deputy Minister of Trade and Commerce

CONFIDENTIAL Ottawa, June 26, 1952

Dear Mr. Bull,

I refer to the recent exchange of correspondence between our respective Departments concerning Canadian participation in the forthcoming German Industries Fair.

You will by now have seen copy of our telegram of June 20,† to Mr. T.C. Davis, our Ambassador in Bonn, requesting information concerning the type of exhibit expected of us, the space available and the cost of same. At the suggestion of your Exhibition Commission we have requested Mr. Davis that he consult with the newly-appointed Commercial Secretary, Mr. B.A. Macdonald, regarding the possibility of adapting for this purpose the exhibit erected in Brussels earlier this year.

It is this Department's considered view that Canada should have a trade and commodity exhibit at this Fair not because we would wish to boost our present sales figures with the Federal Republic of Germany or with West Berlin in particular, but rather in order to make the western shop-window as attractive as possible and to strengthen the morale of a strategically located city under the continued threat of Soviet interference tactics. I should therefore be most grateful if a definite and favourable decision regarding Canadian participation in the above-mentioned Fair could be reached at an early date.

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[38] Note marginale :/Marginal note:
Done. 21.6.52 J.E. T[hibault]
La note indique qu'il s'agissait d'une communication écrite.
The note indicates that the communication was in writing.

Yours sincerely,
L.D. WILGRESS

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933. DEA/12490-AW-3-40

Le sous-ministre du Commerce
au sous-secrétaire d'État aux Affaires extérieures

Deputy Minister of Trade and Commerce
to Under-Secretary of State for External Affairs

CONFIDENTIAL Ottawa, July 11, 1952

Dear Mr. Wilgress,

In reply to your confidential letter of June 26th concerning Canadian participation in the forthcoming German Industries Fair in Berlin, this is to let you know that as a result of your recommendation, the Canadian Government Exhibition Commission has been authorized to prepare an exhibit.

The latest communication (July 4th) from the Canadian Ambassador in Germany has been passed to the Exhibition Commission and the officials there will carry on negotiations directly with our Commercial Counsellor at Bonn.

I would be grateful if you would make a suitable reply to the invitations extended through the Embassy of the Federal Republic of Germany in Ottawa and the Canadian Ambassador in Bonn.

Yours faithfully,
WM. FREDERICK BULL

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934. DEA/12490-AW-3-40

Le sous-secrétaire d'État aux Affaires extérieures
au sous-ministre du Commerce

Under-Secretary of State for External Affairs
to Deputy Minister of Trade and Commerce

CONFIDENTIAL Ottawa, November 17, 1952

Please refer to our file No. 9456-JX-40.

Dear Mr. Bell:

You will remember that during the summer months of this year we exchanged letters concerning Canada's participation in the German Industrial Fair held in Berlin. The Fair has just concluded and we have received a telegram from our Embassy in Bonn stating that it was remarkably successful. The Ambassador reports further that Canadian Immigration authorities received a number of inquiries as a result of the Fair and he believes that it will have a beneficial effect on our trade through the stimulation of interest in

Canada, not only among Germans, but also among the eight other exhibiting countries and six thousand visitors from other Western nations.

It appears that the Fair has also served the intended purpose of being "the shop window of the West." For, of the 855,000 visitors to the Fair, 366,000 came from the Soviet Zone of Germany and the Soviet Sector in Berlin.

You will remember that Canada's display in the recent Fair was not as comprehensive as we should have liked, because there was not sufficient time to make the necessary preparations. In order to have plenty of time to prepare for next year's Fair, the Director of the Exhibition Commission raised the question of Canada's participation at a recent meeting of the Inter-departmental Committee on Information Abroad. Taking into account this telegram from Bonn to which I have referred, the Committee strongly recommended that the Canadian Government should take part in the next German Industrial Fair to be held in Berlin. The Department of External Affairs fully endorses the Committee's recommendation.

I should be grateful if you would consider this recommendation and if you approve, pass it on to the Exhibition Commission.

Yours sincerely,

L.D. WILGRESS

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935. DEA/12490-AW-3-40

Le sous-ministre du Commerce
au sous-secrétaire d'État aux Affaires extérieures

Deputy Minister of Trade and Commerce
to Under-Secretary of State for External Affairs

Ottawa, November 22, 1952

Dear Mr. Wilgress,

Berlin Industries Fair

Your File No. 9456-JX-40

I have before me your letter of November 18th, in which you recommend continuing participation in the Berlin Industries Fair for 1953.

In view of the recommendation of your Department, I am authorizing the Canadian Government Exhibition Commission to take the necessary steps to see that a suitable exhibit is prepared and the Canadian Pavilion maintained for the 1953 Fair.

I would appreciate your advising the Embassy at Bonn of this action.

Yours faithfully,

WM. FREDERICK BULL

SUBDIVISION IV/SUB-SECTION IV

IMMIGRATION

936. DCI

Note pour le directeur de l'Immigration

Memorandum for Director of Immigration

CONFIDENTIAL Ottawa, May 30, 1952

This is to inform you that the Security Panel at its meeting of May 15th agreed that the following persons should be refused entry into Canada as immigrants:

(a) Former members of the S.S. the Sicherheitsdienst, the Abwehr, the Gestapo, and any former member of the Nazi party who, under Allied Control Council Directive No. 38 of 12th October 1946, was classified as a Major Offender or Offender or who, on the evidence before a Security Officer is in his opinion within either of these categories. Particular care should be taken to exclude persons who were responsible for brutalities in concentration or labour camps.

(b) Former members of the Waffen S.S. *except:*

i) German nationals who joined before the age of 18, when there are reasonable grounds for believing they were conscripted or joined under coercion.

ii) Volksdeutsche formerly residing in German occupied territory, whether they were subsequently naturalized German or not, when there are reasonable grounds for believing they were conscripted or joined under coercion.

iii) Volksdeutsche and other nationalities who were resettled and naturalized German *before* joining, when there are reasonable grounds for believing that naturalization was not of their own choosing, and reasonable grounds for believing they were conscripted or joined under coercion.

LAVAL FORTIER

SECTION D

GRÈCE : SECOURS AUX AFFAMÉS
GREECE: FAMINE RELIEF

937. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa,] February 5, 1952

. . .

GREEK RELIEF; GIFT OF NO. 5 WHEAT

14. *The Secretary of State for External Affairs*, referring to the discussion at the meeting of November 16th, 1951, reported that, as the population of the villages of northern Greece was on the verge of starvation, various organizations in Canada had made appeals for a gift of No. 5 wheat similar to that made in November by the Greek War Relief Fund. At that time the U.S. Economic Assistance Administration had given an undertaking to the Fund to provide ocean transportation at its expense. The Canadian Red Cross Society had now indicated that, if the government would contribute 503,000 bushels of No. 5 wheat, at a cost of some $825,000, it would, subject to the above-mentioned undertaking regarding ocean transportation, arrange for the milling of the wheat in Canada and its transportation to seaboard. It would also guarantee that the flour would be properly distributed by representatives of the Greek Red Cross Society.

On humanitarian grounds, he recommended, with the concurrence of the Minister of Trade and Commerce, approval of these proposals subject to certain conditions.

An explanatory memorandum had been circulated.

(Minister's memorandum, Feb. 5, 1952 — Cab. Doc. 36-52)†

15. *The Cabinet*, after discussion, approved the recommendation of the Secretary of State for External Affairs, concurred in by the Minister of Trade and Commerce, and agreed that:

(a) a gift of 500,000 bushels of No. 5 wheat, at a cost of approximately $825,000, be donated immediately to the Canadian Red Cross Society for milling into flour as a contribution to famine relief for Greece, on the understanding that it be ground in the Western Division mills as defined in the Canada Grain Act, 1930, and that the Society be requested to call for tenders in letting the flour contract; and,

(b) provision for the necessary funds be made in the final supplementary estimates of the Department of External Affairs for the fiscal year 1951-52; the Wheat Board to be requested to supply the wheat on this understanding.[39]

. . .

SECTION E

NORVÈGE : PHOQUES DU GROENLAND
NORWAY: HARP SEALS

938. DEA/12386-12-40

Le sous-ministre des Pêcheries
au sous-secrétaire d'État aux Affaires extérieures

Deputy Minister of Fisheries
to Under-Secretary of State for External Affairs

Ottawa, December 19, 1951

Dear Sir,

Since union with Newfoundland this Department has been concerned with conservation measures which might be adopted regarding the stocks of harp seals in the waters off the Province of Newfoundland.

The seal fishery has been prosecuted for many years by Newfoundland, Canadian mainland and Norwegian interests and there appears to be some evidence that at the rate of kill of the baby seals and adults each spring there is danger of depletion. For the past two seasons the Department through the Fisheries Research Board has been carrying out a survey of the situation. Aerial photography of the seal herds on the ice has been done as well as considerable tagging of the animals. The aerial photography was done for the purpose of trying to arrive at an estimated count of the population; the tagging to ascertain the migratory habits and range of the seals.

Norwegian sealers also participate to a very large extent in the fishery each year, and because of this international aspect, it will be necessary before any conservation regulations can be applied with respect to Canadian nationals to see if agreement can be reached with the Norwegian Government on a mutually satisfactory basis for the conservation and protection of the seal herds.

As a result of our scientific investigations, observations and discussions with the Canadian sealing industry, it is our view that as a first step towards some type of regulation, opening and closing dates for the taking of seals should be determined. For many years the Newfoundland sealers, by regulation and custom, commenced operations not earlier than March 13 of each year. Norwegian sealers, on the other hand, usually commence killing a few days before this date. During the past two years particularly the difference in the starting dates has caused some difficulties on the sealing grounds, aside from the fact that we believe there should be a common starting date for all sealers in the interest of conservation of the stocks.

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[39] Pour un compte rendu de la mission de secours en Grèce, voir «Farine canadienne pour la Grèce», *Affaires extérieures*, vol. 4, n°8, (août 1952), pp. 282-286.
For an account of the relief operation in Greece, see "Canadian Flour for Greece," *External Affairs*, Volume 4, No. 8 (August 1952), pp. 270-4.

We accordingly have had discussions with the Canadian sealing industry and agreement has been reached that the opening date each year should be not earlier than March 10 for what is termed the "front" and March 5 for the Gulf of St. Lawrence area. The "front" might[40] be described as the area off northeast Newfoundland and north and south west to a line probably drawn from Armour Point on the Labrador Coast to Flower's Cove, Newfoundland, in the Strait of Belle Isle. South of this line on the west side of Newfoundland would be defined as the Gulf of St. Lawrence area.

With regard to a closing date it has been suggested to the Canadian industry that April 30 should be the final date for killing. There is, however, some difference of opinion on this point and it may be necessary to leave this aspect in abeyance pending further investigation, taking into account the practicalities of the sealing operations. Other forms of conservation measures have been suggested but these would require additional study and discussion with industry representatives before any conclusions could be reached.

What we have in mind at this time is that an approach should be made immediately to the Norwegian authorities on an informal basis to see if mutual agreement can be arrived at for the 1952 season on common opening dates as described above; that they should be sounded out on the tentative proposal for an April 30 closing date. I might say that last April, during the meeting of the International Commission for the Northwest Atlantic Fisheries at Washington, the Norwegian delegates were informally and unofficially approached on this sealing matter. At the time it was indicated that Norway would be in favour of an international agreement for the regulation of sealing and it was expressed that perhaps an informal arrangement could be worked out for the 1952 season and later a conference could be arranged to work out details for concluding a formal treaty. At such a formal conference invitations should perhaps be sent to the United Kingdom, the United States and other interested countries to participate. In the meantime, however, so far as we are aware the only countries actively interested in sealing operations in the northwest Atlantic and Gulf of St. Lawrence areas are Canada and Norway. If a formal conference on sealing is to be called there might be opportunity to hold it some time in June of next year. Representatives of countries who might be interested in sealing will all likely be present at the meeting of the International Commission for the Northwest Atlantic Fisheries which is scheduled to be held at St. Andrews, N.B., towards the end of June. I should think that we could take advantage of interested people being present then to have either formal or informal talks on the sealing question.

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[40] Notre copie du document porte la mention manuscrite suivante :
The following was written on this copy of the document:
i.e. The "front" might comprise the relevant area of the Atlantic Ocean off Newfoundland (including Labrador) and the Strait of Belle Isle on the Atlantic Ocean side of a line drawn from F[lower's] C[ove] to A[rmour] P[oint].

For the present, however, it would be appreciated if steps could be taken by your Department for an immediate approach to the Norwegian authorities for an informal agreement covering the opening and closing dates for the 1952 sealing season along the lines outlined above. It is regretted that it has not been possible to present this matter to you before now, but we have only recently concluded our discussions with the Canadian industry representatives. It is likely that the Norwegian sealing fleet will very shortly be making its preparations for fitting out to leave for the sealing grounds, probably some time in February. The matter is therefore of some urgency as we should like, if possible, to have the informal arrangement for the 1952 season concluded as early as possible.

If there is any further information I can supply on this matter please let me know.

Yours very truly,

G.R. CLARK

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939. DEA/12386-12-40

Le secrétaire d'État aux Affaires extérieures au ministre de Norvège

Secretary of State for External Affairs to Minister of Norway

X-25 Ottawa, December 22, 1951[41]

The Secretary of State for External Affairs presents his compliments to the Minister of Norway and has the honour to refer to the harp seal fishery in the waters off the Province of Newfoundland.

2. Due to the extensive exploitation of the harp seal fishery in recent years by Canadian and Norwegian fishermen, there is a serious danger of depletion of this species. For the past two seasons the Canadian Department of Fisheries and the Fisheries Research Board of Canada have been carrying out a survey of the fishery. As a result of scientific investigation and discussions with those engaged in the fishery, it is considered that, in the interests of perpetuating the fishery, some regulation of the killing of the seals should be immediately introduced. Moreover, because of the highly competitive nature of the industry, some regulation of it is desirable in order to avoid serious misunderstandings between those engaged in it. Some measure of regulation would also be of assistance to officials engaged in tagging the seals and conducting the scientific investigation of the species.

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[41] Notre copie du document porte la mention manuscrite suivante :
The following was written on this copy of the document:
This note was given to the Norwegian Minister on Jan. 4, 1952.

3. As a first step toward regulation, the cooperation of the Norwegian Government is requested in the establishment of opening and closing dates for the taking of seals. For this purpose it is proposed that the relevant waters be considered to be in two areas — the one comprising the waters of the Strait of Belle Isle and the Atlantic Ocean off the coast of the Province of Newfoundland (including Labrador); and the other comprising the waters of the Gulf of St. Lawrence. It has been suggested that the starting date for killing in the first described area should be March 10, while the starting date for the other area should be March 5. The dividing line between the two areas would be, roughly, one between Armour Point on the Labrador coast and Flowers Cove, Newfoundland.

4. The closing date of April 30 has been suggested for both areas, but this date might be adjusted later, after futher investigation. Meanwhile, as the Norwegian sealing vessels will soon be making preparations to leave for the sealing grounds, it is requested that the Norwegian Government consider whether it would be possible to make appropriate arrangements, in cooperation with the Canadian Government, to regulate the seal fishery, as suggested above, for the 1952 season.

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940. DEA/12386-12-40

Le ministre de Norvège
au secrétaire d'État aux Affaires extérieures

Minister of Norway
to Secretary of State for External Affairs

Ottawa, February 23, 1952

Sir,

With reference to your verbal note No. X-25 of December 22, 1951, I have the honour to inform you that by a Royal Decree of February 18, 1952[42], the opening dates for the taking of seals for the season 1952 have been established according to the Canadian proposal contained in your above mentioned note viz. March 10 for the area east of Newfoundland and in the Strait of Belle Isle east of a line drawn between Armour Point and Flowers Cover and March 5 for the area comprising the waters of the Gulf of St. Lawrence west of the above line.

My Government add that March 10 already in previous years has been fixed as the opening date for Norwegian sealing vessels.[43]

The above mentioned Decree only establishes the opening dates for the taking of seals as the Norwegian authorities agree with the Canadian authorities that the closing dates, after further investigation, should be left in abeyance until eventual later negotiations.

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[42] Note marginale :/Marginal note:
Available in Norwegian at Norwegian Legation.

[43] Note marginale :/Marginal note:
Informed G.R. Clark, Fisheries, by phone 26-2-52.

Accept, etc.

DANIEL STEEN

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941. DEA/12386-12-40

Le secrétaire d'État aux Affaires extérieures
au ministre de Norvège
Secretary of State for External Affairs
to Minister of Norway

X-8 Ottawa, February 28, 1952

Excellency,

I have the honour to refer to your Note of February 23, 1952, transmitting the information that the Norwegian Government by a Royal Decree of February 18, 1952, has established the opening dates for the taking of seals by Norwegian sealers in accordance with the proposals contained in my verbal note No. X-25 of December 22, 1951.

It is noted that the above mentioned decree establishes only the opening dates for the taking of seals and that the Norwegian authorities agree that the closing dates should be arranged after further investigations.

Accept, etc.

WILLIAM G. STARK
for Secretary of State
for External Affairs

SECTION F

ESPAGNE/SPAIN

SUBDIVISION I/SUB-SECTION I

DETTES COMMERCIALES

COMMERCIAL DEBTS

942. DEA/10527-40

Le directeur des Relations commerciales du ministère du Commerce à la Direction juridique

Director, International Trade Relations, Department of Trade and Commerce, to Legal Division

Ottawa, February 12, 1952

Dear Mr. Burbridge:

You will be pleased to hear of the successful arrangements for the settlement of commercial debts with Spain. Mr. Bull went to Madrid for these negotiations which were initiated by Mr. Maguire, our Trade Commissioner in Spain. Signature of the agreement by Mr. Bull and Sr. Martin Artajo, the Spanish Foreign Minister, took place on January 29th in Madrid.

The negotiations were conducted in a most friendly and cooperative atmosphere, and Mr. Bull seems to be quite pleased with his visit. He made it clear before he went that he would not deal with diplomatic or political questions, nor with the vexed question of Barcelona Traction. The only reference made to diplomatic representation or Barcelona Traction was after the conclusion of the agreement, when Sr. Martin Artajo, the Spanish Foreign Minister, remarked on the appointment of a Canadian Minister to Portugal and said he thought the time was propitious for Canada to normalize her relations with Spain. He said that if Canada had had an Ambassador in Madrid, the Barcelona case might have had a more favourable outcome.

I am enclosing a copy of our press announcement[†] on this subject, together with the text of the agreement[†] and the English translation. As you will note, the terms of the agreement are very satisfactory from our point of view, and conform broadly with what we were asking. The rate of exchange to be applied in the settlement of most of these debts is more favourable than any of the rates at present in use in current trade.

We are ourselves quite glad to see this matter settled so satisfactorily, especially since this has been a continuing problem for the past several years.

Yours faithfully,

C.M. ISBISTER

[PIÈCE JOINTE/ENCLOSURE]

DEA/10527-40

Texte anglais de l'Accord relatif au règlement de créances commerciales entre le Canada et l'Espagne

English Text of Agreement for the Settlement of Commercial Debts between Canada and Spain

LETTER FROM THE SPANISH FOREIGN MINISTER
TO MR. WM. FREDERICK BULL, DEPUTY MINISTER,
MADRID, SPAIN, 29 JANUARY 1952

In connection with the conversations held the last few days, I have the honour to express to you the agreement of the Spanish Government to the settlement of the commercial debts pending with Canada, for a total sum not exceeding $650,000 and in accordance with the following conditions:

1. "Commercial Arrears" for the purpose of this repayment arrangement will be those debts contracted by natural and juridical Spanish persons with Canadian firms as the result of imports into Spain, prior to July 18th, 1936, [1938?] of Canadian goods.

2. The Spanish debtors must justify with documents and in the usual way before the Spanish Institute of Foreign Exchange, before June 30th, 1952, the amount of their debts.

3. Settlement will be made in the following manner:

a) By release on the part of the Foreign Exchange Institute of the type of currency in which the debt is stipulated.

b) The rate of exchange to be applied by the Spanish Foreign Exchange Institute in those cases in which the debtors have made deposits in pesetas as guarantee, shall be that which served as a basis to make the deposit provided that it is not lower than the official rate at present in force. In most cases in which the rate of exchange of the guarantee deposit was lower than the present official rate, the latter will apply.

c) On such debts in which no deposits have been made, the rate of exchange to be applied will be fixed by the Spanish Foreign Exchange Institute according to the circumstances prevailing in each case. Although it is not possible to indicate at this time the actual rate at which these debts will be converted into dollars, efforts will be made so that the rate of exchange be such as to facilitate the payment of the debts, consideration being given to the fact that the debtors have had the use of the money in the intervening years.

d) Those debts guaranteed by deposits in pesetas will be refunded immediately, and the liquidation of the remaining debts will be made at the rate of $25,000 per month as from the moment that the former have been paid up, but not later than June 30th, 1952.

4. Such applications as may be filed at the Spanish Foreign Institute exceeding $650,000 will have to be taken in consideration independently from this agreement.

I shall appreciate it if you will kindly express to me the conformity of the Canadian Government on the above.

SUBDIVISION II/SUB-SECTION II

BARCELONA TRACTION

943.

DEA/8508-40

Extrait du procès-verbal de la réunion des chefs de direction

Extract from Minutes of Meeting of Heads of Division

CONFIDENTIAL

Ottawa, April 15, 1952

...

BARCELONA TRACTION

...

14. *Mr. Burbridge*. On January 3, 1952, the Spanish Government replied to the representations which we had made in respect of Barcelona Traction, refusing to admit that there had been a breach of treaty provisions in the treatment of this Company as we had alleged.[44] The Note set out certain legal arguments in support of the Spanish view which we do not regard as sound. It made no reference to the suggestion which had been put forward that the Spanish Government might propose some method whereby the dispute might be resolved, whether by arbitration or otherwise. On January 4 the assets of the companies in Spain were sold at public auction for a nominal sum but subject to the obligation of payment off of the bondholders. The purchaser was a newly established Spanish company, set up by the Marc interests. This company is proceeding with arrangements for payment off of the bondholders which in accordance with the conditions of sale is to be completed by May 28, 1952. The Receiver for the Company has been in Spain and has attempted unsuccessfully to bring the parties together to negotiate a settlement. These efforts are being continued. We are informed that the Belgian Government has also made an approach to the Spanish Government in the hope that some settlement might be achieved. The Belgian Government has taken no further action to press the Spanish Government to submit the matter to arbitration, but has stated that if negotiations for a settlement are unsuccessful it may again press its claim to have the matter settled under the treaty for arbitration between Belgium and

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[44] Cette affaire entraîna des procédures de faillite en Espagne contre une société canadienne, la Barcelona Traction Company.
This case involved bankruptcy proceedings in Spain against a Canadian firm, Barcelona Traction Company.

Spain. A further short Note has now been sent by us to the Spanish Government which restates briefly our view that the treatment accorded to Barcelona Traction in Spain is contrary to treaty provisions and refers once again to our previous suggestion that the Government of Spain might propose some method whereby the difference of opinion in this aspect of the matter might be resolved and that we would agree to take the matter to arbitration if necessary. Before sending this Note careful consideration was given to our present position in this matter and it was discussed with the Department of Trade and Commerce. The Department of Trade and Commerce expressed some concern that our representations in the Barcelona dispute might have harmful effect upon our relations with Spain in respect to other negotiations in which they were concerned. It was our own view that we have now done nearly all that is possible in this matter and that we would not be justified in pressing it further. It was felt, nevertheless, that the latest Spanish Note could not be allowed to go by default. It is not considered that the Spanish Government will give favourable consideration to our suggestion that a settlement might be discussed and the Note now sent will likely be our last effort in this matter. The Receiver of the Company has been informed that it is most unlikely that the Department can be of any further assistance in this matter and that he should continue his efforts to impress upon the Company the necessity to endeavour to negotiate a settlement with the bondholders.

. . .

944. DEA/8508-40

Extrait du procès-verbal de la réunion des chefs de direction
Extract from Minutes of Meeting of Heads of Division

CONFIDENTIAL Ottawa, May 12, 1952

. . .

BARCELONA TRACTION

. . .

29. *Mr. Burbridge.* We have been informed by Canada House that the last Canadian Note was presented to the Spanish Government on April 21. In the absence of the Minister for Foreign Affairs, who was in the Middle East, the Note was presented to the recently appointed Under-Secretary for Foreign Affairs, Don Emilio de Navasques. The Canadian Note was supplemented by an Aide Memoire on behalf of the U.K. Government.

It has also been brought to our attention that a report in the *Financial Times* of April 21 announced that the Spanish court has issued an order suspending for the time being the sale of the assets of the Barcelona Traction Company, pending the hearing of an action by the Company against the judicial ruling of last September authorizing the sale of the Company's assets. This report has not had official confirmation. If it is true it is probable that the

Spanish authorities are paying some heed to the repeated representations by Canada and the U.K. regarding the impropriety of the legal proceedings arising out of the bankruptcy of this Canadian company.

. . .

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945. DEA/8508-40

Extrait du procès-verbal de la réunion des chefs de direction

Extract from Minutes of Meeting of Heads of Division

CONFIDENTIAL Ottawa, October 27, 1952

. . .

LEGAL MATTERS

Barcelona Traction

16. *Mr. Burbridge.* On October 22 a delegation, consisting of representatives of the Barcelona Traction Company, the National Trust Company, and the Canadian Receiver, met with Mr. Wilgress to discuss recent developments in connection with the Company's case. The purpose of the delegation was to press the Canadian Government to send a further note to the Spanish Government which, among other things, would seek a clarification of the Minute signed by the three Governments in Madrid.[45] The Barcelona interests contended that Minute was used by the Spanish Government and the bondholder interests to misrepresent the position of the Company in Spain and abroad. The Company was told in March of this year that it was unlikely that the Canadian Government could be of any further assistance to it. Since then the Company interests have been endeavouring to persuade the United Kingdom Government to press for further diplomatic intervention with the Spanish Government. They obviously also hoped to obtain further diplomatic support from the Canadian Government. The delegation was informed that the Canadian Government did not intend to enter into another exchange with the Spanish Government because we felt that there would be no useful purpose in so doing. This would continue to be our position until there was some drastic change in the conditions or developments relating to this Company which would warrant us to reconsider the matter. The Department considers that, as long as the equity interests can manoeuvre governments into exercising diplomatic pressure on the Spanish Government, they will make no genuine effort to negotiate a private settlement which, in our view, is the only possible and practical solution. Canada House has been asked to make our position known to the United Kingdom authorities.

. . .

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[45] Les gouvernements de l'Espagne, de la Grande-Bretagne et du Canada parvinrent à une entente sur la Barcelona Traction Company, le 13 juin 1951.
An agreement concerning the Barcelona Traction Company between the Spanish, British and Canadian governments on June 13, 1951.

3ᵉ PARTIE/PART 3

MOYEN-ORIENT
MIDDLE EAST[46]

SECTION A

ÉGYPTE/EGYPT

SUBDIVISION I/SUB-SECTION I

DÉCÈS DU DÉLÉGUÉ COMMERCIAL

DEATH OF TRADE COMMISSIONER

946. DEA/8508-40

Extrait du procès-verbal de la réunion des chefs de direction

Extract from Minutes of Meeting of Heads of Division

CONFIDENTIAL Ottawa, January 28, 1952

1. *Mr. Heeney.* Members of this Department will have learned with concern of the tragic death in the rioting in Cairo on January 26th of Mr. J.M. Boyer, M.C., the Canadian Trade Commissioner. The British Ambassador to Egypt has made a protest on our behalf to the Egyptian Government informing them that the Egyptian Government will be held fully responsible for all loss of life and property and that the rights of the Government of Canada in the matter are fully reserved. We have informed the Government of the United Kingdom of our approval today of this course. The Egyptian Consul General called today to express his government's and his own condolences and sympathy on Mr. Boyer's death; I reiterated our position to him.

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947. DEA/8508-40

Extrait du procès-verbal de la réunion des chefs de direction

Extract from Minutes of Meeting of Heads of Division

CONFIDENTIAL Ottawa, March 24, 1952

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LEGAL MATTERS

Claim Against the Egyptian Government — Death of Mr. J.M. Boyer, Canadian Trade Commissioner

16. *Mr. Burbridge.* The United Kingdom Government on January 27, 1952, fully reserved the rights of the Canadian Government with regard to the Egyptian Government's responsibility for losses of life and property inflicted

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[46] Voir aussi le document 231./See also Document 231.

during the Cairo riots. Legal Division in consultation with Consular Division and the Department of Trade and Commerce, have worked out a formula, taking into account Mr. Boyer's active life expectancy and his salary to arrive at a sum to compensate Mrs. Boyer. . . . The Assistant Canadian Trade Commissioner in Cairo, Mr. C.E. Butterworth, lost most of his personal effects when his room in the Turf Club was razed by fire. He has sent us an itemized statement of his losses. As far as we have been able to ascertain, there are no other Canadian claims for loss of property because of the riot. Details of the claims have been forwarded to the High Commissioner's Office in London for transmission to the British Foreign Office, which will coordinate all claims and present them, as circumstances permit, to the Egyptian Government. The procedure contemplated by the Foreign Office with regards to the presentation of the claims is as follows. The first step will be to obtain, if possible, an admission of international responsibility from the Egyptian Government. The United Kingdom Government through its Ambassador in Cairo is now attempting to obtain this admission. When or if it is obtained, the Egyptian Government will be presented with a global figure based on all claims. The Foreign Office think this method is preferable to discussions in advance with the Egyptians concerning the merits and details of each particular case. The United Kingdom Ambassador in Cairo has, however, been asked for his opinion on the best method and timing for presentation of claims, and we will be kept informed.

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948. DEA/8508-40

Extrait du procès-verbal de la réunion des chefs de direction
Extract from Minutes of Meeting of Heads of Division

CONFIDENTIAL Ottawa, November 10, 1952

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Compensation Claim Arising from the Death of Mr. Joseph MacLeod Boyer in Cairo on January 26, 1952

19. *Mr. Erichsen-Brown.*[47] The United Kingdom Foreign Secretary made a statement on November 6 in the House of Commons to the effect that the Egyptian Government had agreed to give as quickly as possible financial aid to the victims of the Cairo riots. While a commission has been set up by the Egyptian Government to deal with claims arising from the riots, the Egyptian Prime Minister has given assurance to the United Kingdom Embassy in Cairo that the claim arising from the death of Mr. Boyer would be dealt with on a government-to-government basis, as Mr. Boyer was a foreign government official on duty in Egypt. The Foreign Office has asked the United Kingdom

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[47] J.P. Erichsen-Brown de la Direction juridique.
J.P. Erichsen-Brown, Legal Division.

Ambassador in Cairo for information on how the payment will actually be made in the Boyer case.

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SUBDIVISION II/SUB-SECTION II

COMMERCE/TRADE

949. DEA/6964-40

Le sous-ministre du Commerce
au sous-secrétaire d'État aux Affaires extérieures

Deputy Minister of Trade and Commerce
to Under-Secretary of State for External Affairs

Ottawa, March 28, 1952

Dear Mr. Heeney,

We are informed by cable of March 25 from the Acting Trade Commissioner at Cairo that the Government of Egypt had doubled all customs duties applicable to Canadian goods.

Egypt having a single-column tariff, Egyptian law has for some time contained a punitive provision by which customs duties may be increased in this fashion against any country with which Egypt has no trade agreement. This law has now been implemented for the first time in relation to Canada. Although we lack detailed information, we believe that similar action has also been taken in relation to other countries in the same position.

While Canadian exports to Egypt are not large, amounting to $2.5 million last year, a number of our exporters will be affected immediately. If manufactured goods, such as Canadian automobiles, are eliminated from Egypt by reason of the tariff being doubled against us, it will be more difficult to get back into the market later, in competition with other countries which are able to maintain their business. I am attaching a memorandum on this subject containing additional information.†

We have consulted informally with the Department of Finance on this question. On grounds of commercial relations and trade alone, we see no reason why we should not enter into a most favoured nation treaty with Egypt. From the point of view of your Department, we would give rise to any objection to proceeding in this way at the present time.

This matter is urgent because of the pending departure of the Acting Trade Commissioner from Cairo and we shall look forward to your early reply.

Yours sincerely,

WM. FREDERICK BULL

950. DEA/6964-40

Le sous-secrétaire d'État aux Affaires extérieures
au sous-ministre du Commerce

Under-Secretary of State for External Affairs
to Deputy Minister of Trade and Commerce

Ottawa, April 2, 1952

Dear Mr. Bull,

I refer to your letter of March 28 in which you informed me that the Egyptian Government has just imposed a surtax of 100% on all imports of Canadian goods. I understand that this particular provision of the Egyptian tariff law may be invoked against any country which has not concluded a commercial agreement with Egypt.

This Department would have no objection to our entering into a most-favoured-nation agreement with Egypt. At the same time it has occurred to us, as it has no doubt occurred to you, that the manner in which the Egyptians have acted in applying the punitive provisions of their tariff law to Canadian goods without prior indication or consultation is somewhat brusque and inept. I assume that you would not wish this kind of unilateral procedure to become a precedent for extorting commercial concessions from us. However, this is primarily a matter for your Department and the Department of Finance to take into consideration.

If you decide to proceed with the conclusion of a most-favoured-nation agreement with Egypt, I think that you might find it opportune to tell the Egyptian Government of the adverse impression their action has caused in Canada.

Yours sincerely,
A.D.P. HEENEY

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951. DEA/6964-40

Le directeur des Relations commerciales internationales
du ministère du Commerce
à la Direction économique

Director, International Trade Relations,
Department of Trade and Commerce,
to Economic Division

Ottawa, May 16, 1952

Dear Mr. Plumptre:

We have received a further communication from the Canadian Trade Commissioner's Office in Cairo respecting the proposed exchange of notes with Egypt for most-favoured-nation treatment.

We are now informed that a decree has been published in the Official Journal of Egypt stating that double duties will definitely be imposed on imports from Canada on October 28, 1952, unless some agreement has been reached by that date.

While I do not think that we should be unduly alarmed by this decree, it might be useful for your department to approach the Egyptian Consul General in Ottawa to ascertain whether he has received instructions in this matter.[48]

Yours faithfully,

C.M. ISBISTER

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952. DEA/6964-40

La Direction économique au directeur
des Relations commerciales internationales du ministère du Commerce

Economic Division to Director,
International Trade Relations, Department of Trade and Commerce

Ottawa, May 27, 1952

Dear Dr. Isbister,

At my request Mr. El-Hakeem, the Consul General of Egypt called on me today to discuss the question of a most-favoured-nation agreement.

After recalling the circumstances in which the Egyptians had evidently decided to impose a 100% surtax on Canadian imports as of October 28 of this year, I told Mr. El-Hakeem that from our point of view the extension of most-favoured-nation treatment to Egypt offered no problem of principle. It was largely a matter of providing his Government with a draft of the type of agreement we had found it practicable to conclude in the past, and I expected that we should be in a position to move forward quickly so as to clear up this matter well before October.

I added that, in view of the changes in our personnel in Cairo, it would probably be most convenient to proceed with the necessary discussions here in Ottawa. It was my understanding that the Egyptian authorities had also proposed Ottawa as the venue for the talks.

Mr. El-Hakeem appeared to be gratified by the Canadian position in regard to most-favoured-nation treatment for Egypt as I had outlined it to him. He had received no definite instructions from his Government in this matter, but promised to communicate with Cairo immediately and get in touch with me again some time next week.

Yours sincerely,

A.F.W. PLUMPTRE

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[48] Note marginale :/Marginal note:
It has been agreed between Mr. Plumptre and Dr. Isbister that it would be preferable to broach this matter orally to the Egyptian Consul General. 20/5/52
K. G[oldschlag]

953. DEA/6964-40

La Direction économique au directeur
des Relations commerciales internationales du ministère du Commerce

Economic Division to Director,
International Trade Relations, Department of Trade and Commerce

Ottawa, September 4, 1952

Dear Mr. Isbister,

With reference to Mr. Neal's conversation with Mr. Kilgour on September 3rd, I enclose a copy of a draft agreement for an exchange of most-favoured-nation treatment which Mr. El-Hakeem, the Egyptian Consul General, left with me on September 2nd.† Mr. El-Hakeem explained that his Government considers this text only a draft to be used as a basis for discussion.

A glance at the draft agreement indicates that a number of changes probably will be necessary, e.g., deletion of the reference to Newfoundland; the term "British Commonwealth of Nations" in paragraph 2 expanded into "the British Commonwealth of Nations including their dependent overseas territories and the Republic of Ireland"; and revision of the concluding paragraph so that it is more along the lines of the text in the draft note which we had prepared but had not submitted. You will also note that the Egyptian draft agreement proposes a three-month notice of termination whereas we had a six-month notice in mind.

I should be glad to have your comments on this text together with any revisions which you deem advisable. I have examined the draft agreement with a view to determining if the Egyptians also had in mind a "balanced trade" between the two countries, (reference my letter of July 3rd).† There does not appear to be any phrase in the draft which explicitly covers this aspect of Canadian-Egyptian trade. The point in your July 8th letter, that there must be a clear understanding that any agreement will guarantee *unqualified* most-favoured-nation treatment for Canadian goods, will no doubt have to be raised with the Egyptians. As soon as we have an agreed text, I shall ask the Egyptian Consul General to call. There is some urgency in this matter as the Egyptian six-month waiver of double duties will expire on October 28th.

A.E. RITCHIE

954. DEA/6964-40

Le directeur des Relations commerciales internationales
du ministère du Commerce
à la Direction économique

Director, International Trade Relations,
Department of Trade and Commerce
to Economic Division

Ottawa, September 9, 1952

Dear Mr. [A.E.] Ritchie:

I have your letter of September 4 with which you enclosed a copy of the draft text of the proposed agreement with Egypt, left with you by the Egyptian Consul General. In your letter you suggest certain changes, and with these we agree.

In view of the urgency of concluding the agreement before the expiration of the six months' period during which the Egyptian government has suspended the imposition of higher duties, we believe that it is advisable to accept the Egyptian draft with a minimum of revisions.[49] We have accordingly gone over it and have made only such additional changes as we consider essential. I am enclosing a copy of the text showing all these proposed changes. Proposed deletions are enclosed in square brackets and additions are underlined.

In the introductory paragraph we consider it advisable to change the phrase, which indicates only the willingness of the Egyptian government to conclude the agreement, to one which puts forth a positive proposal.

We have refrained from changing the word "goods" to "articles", although the latter appears in most of our trade agreements.

As a commentary on your own proposals, the word "overseas" does not seem necessary as a qualification of dependent territories.

In Clause 3 we suggest six months' notice instead of three. We believe this advisable in view of the length of time which it has already taken to reach the discussion stage in the present negotiations. Should this prove to be a sticking point for the Egyptians, we would accept three months to conclude the agreement.

Yours faithfully,

CLAUDE [ISBISTER]

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[49] Note marginale :/Marginal note:

Mr. Ritchie — I agree that, if we want to complete the exchange, the minimum number of revisions should be made in the Egyptian draft. The only substantial change proposed by T & C [Trade and Commerce] (and they are prepared to concede the point) relates to the termination notice. Would you like me to arrange for El-Hakeem to call on you? K. G[oldschlag]

Mr. Goldschlag — we might talk about it briefly first. A.E. R[itchie]

[PIÈCE JOINTE/ENCLOSURE]

Projet d'Accord

Draft Agreement

Sir,

I have the honour to inform Your Excellency that, with a view to regulating and facilitating trade between Egypt and Canada, the Royal Egyptian Government [are prepared to conclude with] *propose to* Her Majesty's Government in Canada an Agreement, [which will be applicable also to Newfoundland],[on] *in* the following terms:

1. Goods, the produce or manufacture of Canada [and Newfoundland] imported into Egypt (whether for consumption, re-export or transit) will be accorded treatment not less favourable than that accorded to the goods of the most favoured foreign country, excluding the special privileges accorded to any countries adjoining Egypt and to members of the Arab League.

2. Goods, the produce or manufacture of Egypt imported into Canada [and Newfoundland] (whether for consumption, re-export or transit) will be accorded treatment not less favourable than that accorded to the goods of the most favoured foreign country excluding the special privileges accorded to adjoining territories and to members of the British Commonwealth of Nations *and their dependent territories and to the Republic of Ireland.*

3. The present Note and a Note from Your Excellency confirming the acceptance by Her Majesty's Government in Canada of an agreement to this effect shall be regarded as constituting an agreement in this matter between the two Governments which shall come into force immediately on receipt of Your Excellency's Note and shall remain in force until superseded by another agreement or until the expiration of [three] *six* calendar months from the date on which notice of termination shall have been given by either government to the other.

I avail myself of this opportunity to renew to Your Excellency the expressions of my highest consideration.

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955. DEA/6964-40

Le sous-secrétaire d'État aux Affaires extérieures au sous-ministre du Commerce

Under-Secretary of State for External Affairs to Deputy Minister of Trade and Commerce

Ottawa, September 22, 1952

Attention: Dr. C.M. Isbister

The Egyptian Consul General called on us this morning in connection with the most-favoured-nation agreement which we are hoping to conclude with Egypt shortly. The alternative draft prepared by your Department appeared to offer no substantial difficulties. We raised, but did not press, the question of a six-month termination clause which, we suggested, was probably preferable to a three-month clause, if only on grounds of administrative convenience. At the same time we made it clear that, if the Egyptian Consul General could not meet our preference in this matter on his own initiative and without further reference to Cairo, we should be prepared to accept the proposal originally formulated by his Government.

2. Mr. El Hakeem told us that the draft agreement had been drawn up by an Interdepartmental Committee on Foreign Trade and followed a standard form used by the Egyptian Government. Since the Committee meets only periodically and might wish to consider our counter-proposal in regard to the notice of termination, we agreed that it would be preferable to initiate the relevant exchange of notes without referring the text of the agreement back to the Committee. We gathered that the Consul General will, in any case, have to secure final clearance from his authorities before proceeding with the Exchange of Notes.

3. As soon as we receive the Egyptian note proposing the conclusion of a most-favoured-nation agreement, we shall ask the Department of Finance to prepare a submission to Council in accordance with the provisions of Section 11 of the Customs Tariff Act. We shall also inform the Department of National Revenue which will have to advise its collectors as soon as the relevant Order-in-Council has been passed. In our conversation with the Egyptian Consul General we told him that our reply to his note would probably be deferred for about a week so as to enable us to complete the necessary administrative arrangements.

4. A copy of this letter is being sent to Messrs. Deutsch and Urquhart.

A.E. RITCHIE
for Under-Secretary of State
for External Affairs

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956. DEA/6964-40

Note de la Direction économique

Memorandum by Economic Division

Ottawa, October 24, 1952

MEMORANDUM FOR MR. RITCHIE

MOST-FAVOURED-NATION AGREEMENT WITH EGYPT

Mr. Barrow of the Department of Trade and Commerce telephoned me this afternoon to find out if there has been any further word from the Egyptian Consul General regarding the exchange of notes which he was going to initiate, subject to final clearance by his government.

As you know the decree recently published in the *Journal Officiel* of Egypt provides that a surtax of 100% on goods originating in countries with which Egypt has not concluded a commercial agreement will be imposed with effect from October 28, 1952. By next Tuesday, therefore, the 6-month respite afforded to us, presumably for the purpose of the conclusion of a bilateral agreement, will expire.

Since there is little likelihood of completing our exchange of notes with Egypt within the next four days, two courses of action would seem to be open to us. First, we might telephone the Egyptian Consul General to ask whether final instructions to conclude a most-favoured-nation agreement had now reached him. If, as I assume, his reply is in the negative, we might ask him to approach his authorities by telegram to seek a further delay in the imposition of a punitive surtax on Canadian goods in the light of the very favourable prospects of reaching an early agreement on reciprocal most-favoured-nation treatment.

The alternative would be to channel such an approach through the Trade and Commerce representative in Cairo. In view of the fact, however, that all the negotiations have taken place at this end and that it might be confusing to the Egyptian authorities if they were now approached through a different channel, I would suggest that we ask the Egyptian Consul General in Ottawa to place our case before his Government.

Since the time available is now exceedingly short, I wonder if you would consider telephoning Mr. El-Hakeem some time tomorrow morning. I should be glad to do so myself but an approach at your level is likely to be a good deal more effective.[50]

K. G[OLDSCHLAG]

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957. DEA/6964-40

Le sous-secrétaire d'État aux Affaires extérieures
au sous-ministre du Commerce

Under-Secretary of State for External Affairs
to Deputy Minister of Trade and Commerce

RESTRICTED Ottawa, November 29, 1952

Attention: Dr. C.M. Isbister

The Egyptian Consul General called on this Department on November 27th and informed us that his Government had accepted the revisions which we had proposed to the draft Agreement on most-favoured-nation treatment. He left with us the attached note† which, assuming that it is acceptable to us, constitutes the Egyptian note in this Agreement. You will observe that all the revisions which we had proposed are incorporated in this note.

2. We informed the Consul General that it would be necessary to refer this text to other government departments and, assuming it was found to be

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[50] Note marginale :/Marginal note:
Mr. Goldschlag — Spoke to El-Hakeem on Oct. 25. He has had no reply from his Government. He will cable at once for an early reply and will express our hope that the surtax will not be applied to Canadian goods in view of prospect of a satisfactory agreement between us in the near future. A.E. R[itchie]

satisfactory, we would proceed with our note in reply in a few days. We also reminded him that it would take a short time to advise all customs collectors beforehand so that they would be aware that Egypt was entitled to MFN treatment on the same day in which the exchange of notes came into operation.

3. I should be grateful if you would confirm that the Egyptian note is satisfactory to your Department. I am sending copies of this letter to the Department of Finance and to the Department of National Revenue and I should like to suggest that when you forward to this Department your concurrence in the Egyptian note that copies of your letter be sent to the Department of Finance, so that it can promptly proceed with the necessary submission to Council, and also to the Department of National Revenue in order to permit it to advise its customs collectors.

4. I also enclose copy of a draft note which we would forward to the Egyptian Consul General to complete this exchange of notes and I should be grateful if you would also let me know whether this draft note[†] is satisfactory to you. I have left the date on this note open so that it can be inserted in consultation with the Department of Finance and the Department of National Revenue after you have indicated your concurrence in the Egyptian Note.

A.E. RITCHIE
for Under-Secretary of State
for External Affairs

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958. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa,] December 4, 1952

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TARIFF AGREEMENT WITH EGYPT

20. *The Minister of Justice, as Acting Minister of Finance*, reported that, on December 3rd, Canada and Egypt had exchanged notes agreeing to extend to each other most-favoured-nation tariff treatment. It was recommended that provision be made under section 4 and 11 of the Customs Tariff to extend most-favoured-nation treatment to Egypt effective December 3rd.

21. *The Cabinet* approved the recommendation of the Acting Minister of Finance and agreed that, effective December 3rd, 1952, articles which were the growth, produce or manufacture of Egypt, should not, on importation into Canada, be subject to higher duties or charges than those levied on like articles the growth, produce or manufacture of any other foreign country; an Order-in-Council to be passed accordingly.

(Order-in-Council P.C. 4599 Dec. 4, 1952)[†]

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SECTION B

ROYAUME-UNI DE LIBYE : ÉTABLISSEMENT DU
UNITED KINGDOM OF LIBYA: ESTABLISHMENT OF

959. DEA/50228-40

Le secrétaire d'État aux Affaires extérieures
au premier ministre et ministre des Affaires étrangères de Libye

Secretary of State for External Affairs
to Prime Minister and Minister for Foreign Affairs of Libya

UNCLASSIFIED Ottawa, January 7, 1952

I desire to express on behalf of the Government of Canada and also personally the gratification with which Your Excellency's[51] telegram announcing the establishment of the United Kingdom of Libya was received. I should be grateful if you would convey to His Majesty King Mohamed Idriss el Mahdi es Senussi the felicitations of the Government of Canada on his accession to the throne and I shall look forward to receiving the text of His Majesty's proclamation on this historic occasion. I am sure that all Canadians share the pleasure of their government in welcoming the United Kingdom of Libya to its place among the free, independent and sovereign nations of the world.

960. DEA/50228-40

Le premier ministre et ministre des Affaires étrangères de Libye
au secrétaire d'État aux Affaires extérieures

Prime Minister and Minister for Foreign Affairs of Libya
to Secretary of State for External Affairs

UNCLASSIFIED Tripoli, January 8, 1952

On behalf of the government and people of Libya I thank Your Excellency and through you all Canadians for their kind congratulations and welcoming of the birth of the United Kingdom of Libya. I avail myself of this opportunity to express to Your Excellency my best wishes for your well being.

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[51] Mahmoud Muntasser.

CHAPITRE X/CHAPTER X

RELATIONS AVEC L'UNION SOVIÉTIQUE ET L'EUROPE DE L'EST
RELATIONS WITH THE SOVIET UNION AND EASTERN EUROPE

PREMIÈRE PARTIE/PART 1

RELATIONS AVEC L'UNION SOVIÉTIQUE
RELATIONS WITH THE SOVIET UNION

SECTION A

POLITIQUES NATIONALES ET INTERNATIONALES
DOMESTIC AND FOREIGN POLICIES

961. DEA/7802-40

Le chargé d'affaires en Union soviétique
au secrétaire d'État aux Affaires extérieures

Chargé d'Affaires in Soviet Union
to Secretary of State for External Affairs

DESPATCH 351 Moscow, April 25, 1952

SECRET

SOVIET FOREIGN POLICY

Reference: My despatch No. 761 of November 28, 1951.

In my despatch under reference I said that I thought Soviet foreign policy had temporarily reverted to a tough line vis-à-vis the West but that it would return to a policy of appeasement when the Soviet leaders felt the psychological moment had come, possibly in the Spring.

2. I think it safe to say that this tactical change in Soviet policy has now commenced. The evidence can be summed up as follows:

(a) The International Economic Conference in Moscow. This was clearly designed to give the impression that in the economic field the Soviet bloc was prepared to do business with the West. There are other aspects to the conference, such as the Soviet aim of exerting pressure on Western governments to relax export controls, and so on, but in the field of economic propaganda the theme is co-operation;

(b) Stalin's answers to a group of United States newspaper editors. While not very startling, they did assure the world that war was not necessarily imminent, that a meeting of the heads of the four great states might be useful, and that peaceful co-existence was possible;

(c) Stalin's interview with the Indian Ambassador. Though probably directed primarily towards India, the gesture may have also had some connection with the general lines of Soviet policy;

(d) The new Soviet approach to the German question, and the request for four-power talks;

(e) The diminishing of the bacteriological warfare propaganda in the USSR.

3. This is not very conclusive evidence but I think it sufficient to indicate that the Soviet authorities may be cautiously feeling their way towards new tactics. Their aim remains the same — to split the western alliance, to confuse the peoples of the West, and to slow down western re-armament before it becomes a danger to the USSR. But they may feel that they have greater chances of accomplishing this aim by giving the appearance of greater reasonableness and greater willingness to co-exist peacefully, without at the same time really giving way on any vital sector. As usual the strength of the Soviet position lies in the fact that having followed consistently a violently uncompromising line, the slightest retreat from it at once has the effect of convincing the more gullible that considerable concessions have been made.

4. So far the few signs of a modification of Soviet policy visible to us in Moscow have pointed only to "appeasement" in Europe; and it is quite possible that a tough line will continue in the Far East. This will depend to a large extent on developments in Korea.

5. At the same time it must be stressed that the cautious experiment with appeasement can very easily be abandoned if the Soviet leaders think it is not going to achieve the results expected, as happened last summer. At that time their attempt at a new line inevitably had to be abandoned because of the position into which they were forced by the San Francisco Conference to conclude a Japanese Peace Treaty. This time some similar event, possibly in Germany, might equally convince the Russians that "appeasement" does not pay. It will depend very much, in my opinion, on Soviet reaction to the western decision to press ahead with the alliance of Western Germany and Western Europe. We are therefore only in the preliminary and tentative stages of this Soviet policy.

6. I think it hardly necessary to add that such a policy, if it were developed, would in no way represent a change of heart on the part of the Russians. It would be simply an indication that new tactics were needed. It would be the best proof possible that the determination of the West to build up its strength to oppose Soviet imperialism had proved correct.

7. At first glance it seems paradoxical that the Soviet Union should be experimenting with a "peace offensive" while at the same time carrying on most violent germ warfare propaganda against the United States; but I do not believe that there is necessarily a conflict there. As it seems inconceivable that the two should not be connected in the minds of Soviet planners, I have been trying to guess what the connection could be.

8. I would like to suggest that one of the purposes of the internal germ war propaganda in the USSR, about which I have reported in my despatch No. 322 of April 8,[†] may have been to prepare the people against the eventuality of a lessening of international tension. As I mentioned last summer, one of the difficulties confronting the Soviet authorities is: How to keep their people working at fever-pitch without the imminent threat of foreign war and invasion; and at the same time take measures to lessen the danger of war? The bacteriological warfare charges may have offered a good chance to convince the Soviet people that the Americans are such barbarians that the Russians must always be on their guard against them, even though for the moment relations should improve slightly.

9. This may sound a little fanciful but I have talked it over with a number of old hands here and they all think it sounds reasonable, and that it is the kind of logic the Russians are capable of. In any case the internal bacteriological warfare propaganda has now been reduced to a trickle, though it could easily be revived if necessary.

10. The germ warfare propaganda as taken up by the World Peace Council is another question. For the moment it is good anti-American propaganda and gives the Partisans of Peace some useful new material. It could, no doubt, be dropped easily, if necessary, as I understand that up to now there is no sign that a new campaign for the collection of signatures for an appeal to ban the bacteriological bomb is contemplated. In any case the Soviet attempt to appeal over the heads of the Western governments to their peoples will continue, as it is an essential tenet of Soviet political philosophy.

11. If the Russians should develop a new policy of appeasement, I don't think they would let it go very far. A real settlement of outstanding international questions is not, in my opinion, their aim. They might like a relative easing of international tension for the reasons I have already mentioned and because their own economy could not at the present easily stand the increase in Soviet armaments required to offset Western re-armament. But continuing international tension is practically a requisite for the Soviet system.

12. In the first place this provides one of the main justifications to their own people for the maintenance of huge armies and police forces, the necessity to work long hours for little pay and few incentives, and the failure to provide the material conditions of life promised to the Soviet people for the last 30 years. (If the USSR wished to concentrate on consumers' goods I am sure they could provide this basis, but a people materially satisfied would constitute a serious menace to the Soviet system.)

13. In the second place a tense international situation is more likely to create the conditions for the advance of Communism than a peaceful world. I think it quite possible that the Russians may think in terms of alternating periods of "appeasement" with periods of "toughness" just to confuse and bewilder western governments and public opinion. Then so long as western re-armament does not become so great as to constitute an immediate danger to the USSR, the Russians are not averse to seeing it pile up difficulties for the economies of

the capitalist world. This is evident not only from Marxist-Stalinist theory but also from recent articles in the Soviet press.

14. To conclude, it seems to me that:

(a) Soviet foreign policy is at the beginning of a new and tentative experiment in "appeasement";

(b) This will probably be confined to Europe for the present;

(c) Its course will depend very largely on developments in Germany; a serious rebuff there might lead the Russians to abandon appeasement, as they did last summer after the defeat in San Francisco;

(d) The domestic bacteriological warfare campaign was intended, at least in part, to prevent the Soviet people from slackening their effort as a result of a possible lessening in international tension;

(e) The aim of Soviet foreign policy will remain the same — disruption of the Western alliance, the slowing down of re-armament and the sowing of confusion in the minds of the western public; the new tactic would be an admission that western policies vis-à-vis the USSR have been basically correct;

(f) No real attempt to solve outstanding international questions nor to reduce tension beyond a certain point can be expected since this would be contrary to basic Soviet internal and external aims.

R.A.D. FORD

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962. DEA/5198-40

Extrait de la dépêche du chargé d'affaires en Union soviétique au secrétaire d'État aux Affaires extérieures

Extract from Despatch from Chargé d'Affaires in Soviet Union to Secretary of State for External Affairs

DESPATCH 862 Moscow, October 8, 1952

CONFIDENTIAL

PROCEEDINGS OF THE 19TH CONGRESS OF THE COMMUNIST PARTY

Reference: Our despatch No. 855 of October 1, 1952.†

Following weeks of intensive preparation, the 19th Congress of the Communist Party of the Soviet Union, the first since 1939, finally opened in Moscow on October 5. I have no doubt that the foreign press will have devoted a great deal of space to this important event and that the analyses of the proceedings will go on for a long time to come. Nevertheless you may find it useful to have a general picture of the proceedings to date, together with the composition of the organs which have been appointed to direct the Congress. The keynote report delivered by Mr. Malenkov on the opening night is clearly so important that I am reporting on it separately.

2. While the many representatives from foreign Communist parties, about which I am writing separately, have apparently been participating in the sessions of the Congress, no other foreigners have, of course, had access to the

proceedings. The information contained in the following paragraphs is, therefore, based on the reports published in the Soviet press.

3. At 7:00 p.m. on October 5, before the delegates assembled in the Great Hall of the Kremlin Palace, estimated at approximately 1200, Stalin appeared followed by Molotov, Malenkov, Voroshilov, Bulganin, Beria, Kaganovich, Khrushchev, Andreev, Mikoyan and Kosygin.

4. Molotov then delivered the introductory speech. In it he paid tribute to the war dead and to the departed Comrades Shcherbakov, Kalinin and Zhdanov, and he then proceeded to summarize in very broad terms the developments which took place during and since the war. He reminded his audience that the Soviet Union lived "in a system of states" and that the world was divided into two camps, the weakening camp of the war-mongering countries and the growing camp of the peace-loving countries. In his peroration he declared the Congress open and proposed the election of its executive organs. These consist of a Praesidium (this is only a Congress Praesidium, not to be confused with the Party Praesidium which under the new by-laws is to replace the Politburo), a Secretariat, an Editorial Commission and a Credentials Commission.

5. The Praesidium of the Congress comprises 9 members taken from the Politburo and 8 republican or regional representatives. The Politburo representatives are Stalin, Malenkov, Molotov, Beria, Bulganin, Voroshilov, Kaganovich and Khrushchev.

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9. You will note that the list of party leaders who appeared with Stalin at the Tribune at the opening of the Congress (see paragraph 3 above) does not include Suslov, Shkiryatov and Ponomarenko, who generally accompany the Politburo at all official functions. While Suslov was elected to the Editorial Commission and Shkiryatov to the Credentials Commission, Ponomarenko has no official duties at the Congress and he has so far been mentioned only once in *Pravda*, on Thursday, October 9, when a speech he had made the day before was briefly reported. I am only noting this in passing, without commenting, since any speculation as to the future of this or that party personality would be premature at this stage of the Congress.

10. The agenda was then formally adopted and Malenkov made his review report.

11. The report of the second day of the Congress was published in *Pravda* on Tuesday, October 7. On the agenda for that day was the review report of the Central Inspection Commission of the CPSU, presented by Comrade P.G. Moskatov, Chairman of the Commission in question. This speech was more or less a review of the business, or financial aspects of Party life since 1939. Moskatov pointed out that the Party budget revenues had increased by 2.6 times between 1939 and 1951. The two main sources of revenues are the membership fees and the profits from the Party publishing houses. Moskatov reported that the latter, which had increased by six times between 1940 and 1952, now contributed 12% of all Party revenues. He pointed out, on the expenditure side, that the local Party organizations accounted for 91% of all

budgetary outlays of the Party, leaving 9% for the central organs. He added that of the total party budget funds, 20% were this year being devoted to the political training of Communists and to the propagandizing of Marxism-Leninism. He then drew a brief picture of the Party apparatus of schools for the training of Communists and he stressed the need for financial discipline in the accounting of the Party organizations.

12. On the second and third days of the Congress a number of speeches by lesser lights were made under the title of "Debate on the Review Reports of Comrades Malenkov and Moskatov." This is a misleading appellation since the majority of the speeches contained hardly more than a review of the economic picture prevailing in this or that republic or region, giving a few meaningless figures and percentages, welcoming the new party by-laws and the directives of the new Five-Year Plan, pledging the achievement of the required tasks and ending with a warm approval of Stalin's works on "economic problems of socialism in the USSR," "Marxism and questions of linguistics," or other important pronouncements of the Party leaders in the last few years.

13. "Economic problems of Socialism in the USSR" is an important article by Stalin which appeared in the September issue of *Bolshevik* and was reproduced in *Pravda* on Friday, October 3. As I am reporting on this in a detailed manner in a separate despatch, suffice it to say here that it consists of a firm doctrinal pronouncement dictating what the Party should believe concerning the present international situation, particularly its economic aspects, and the position of the USSR in this context. The significance of this document is confirmed by the fact that Malenkov's keynote speech echoes it most faithfully and that all the participants in the "debate" made stereotyped, pious references to it in concluding their speeches.

14. I am enclosing all the documents pertaining to the proceedings which have become available so far in their JPRS translation.† The rest will follow by next week's bag.†

R.A.D. FORD

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963. DEA/5198-40

Le chargé d'affaires en Union soviétique
au secrétaire d'État aux Affaires extérieures

Chargé d'Affaires in Soviet Union
to Secretary of State for External Affairs

DESPATCH 863 Moscow, October 9, 1952

THE INTERNATIONAL ASPECTS OF STALIN'S NEW ARTICLE AND MALENKOV'S SPEECH AT THE 19TH PARTY CONGRESS

Reference: Our despatch No. 862 of October 8, 1952.

The latest addition to Marxist-Leninist-Stalinist dogma, "Economic Problems of Socialism in the USSR," appeared under Stalin's signature in the magazine *Bolshevik* on October 3 and was reprinted in *Pravda* on October 4 and 5. This document is Stalin's most important contribution to the Communist creed since his review of the post-war world in 1946, for not only is it the ideological basis on which the present 19th Party Congress is being conducted but the views expressed shed some light on the path we can expect Soviet internal and external policies to follow in the next few years.

2. The Stalin article contains important sections dealing with internal and external matters which arose during discussions last November between various Soviet economists and the Central Committee of the Communist Party concerning a proposed new textbook on political economy. In this despatch I intend to deal with the international aspects of Stalin's pronouncements and the elaboration upon them by Mr. Malenkov, Secretary of the Central Committee of the Communist Party of the Soviet Union, in his opening report to the Congress. I am dealing with the internal aspects of Mr. Malenkov's speech and the debate upon it in a separate despatch, No. 861 of today's date,[†] and I shall send a detailed analysis of the whole of Stalin's article by a subsequent bag.

3. Stalin lays down two new theories involving the international aspects of Communist dogma. In the first he puts forward a new thesis concerning the disintegration of the single world market, and in the second he emphasizes and interprets the current Marxist belief of the inevitability of war between capitalist countries. In propounding his theory on the disintegration of the single world market into two parallel world markets opposed to one another, Stalin reasons as follows: the second World War was engendered by the general crisis of capitalism and each of the two capitalist coalitions which fought each other expected to win and achieve world domination. While the Anglo-American-French coalition was successful, at the same time China and the countries of peoples's democracy in Europe seceded from the capitalist system and formed, together with the Soviet Union, the socialist camp opposing the camp of capitalism. The economic result of the existence of these two camps was the disintegration of the world market into two parallel world markets. Stalin also claims that the capitalist camp furthered the formation of the new socialist world market by means of Marshall Aid and the imposing of an economic blockade on the Soviet Union, China and the satellites.

4. The result of this new development, says the Soviet leader, is that "the sphere of exertion of the forces of the chief capitalist countries towards world resources will not expand but diminish and sub-capacity operation of enterprises in these countries will increase." The capitalist countries, according to Stalin, are feeling this decrease in their world market, and are trying to overcome their difficulties by such policies as Marshall Aid, war in Korea, the arms race, and militarization of industry.

5. This new addition to Communist theory contradicts what has up to now been some of the more sacrosanct of Marxist-Leninist-Stalinist doctrine. Stalin faces this problem by baldly stating that due to new conditions his theory concerning the "relative stability of markets in the period of the general crisis of capitalism" and Lenin's theory "that despite the decay of capitalism on the

whole capitalism is growing immeasurably more rapidly than before," no longer apply.

6. To summarize, there are now two economic blocs in the world, the socialist and the capitalist; the former becoming stronger because of steady industrial progress and the impossibility of economic crises, the latter growing weaker because of recurrent economic crises and because reduced markets intensify the struggle for markets amongst the capitalist powers.

7. It has always been one of the basic tenets of the Marxist faith that because of the cyclical nature of capitalist economies, the armed struggle for markets between rival capitalist powers is inevitable under certain conditions. As elsewhere in the world, there have been Soviet economists who, in surveying the post-war capitalist world, have come to the conclusion that the United States is so strong she has subordinated to herself the other capitalist states sufficiently to stop them fighting each other, and that bitter experience has taught the leaders of capitalism that war does serious injury to their system. For these reasons these men claim that war is no longer inevitable between capitalist countries, and as a result the antagonisms between capitalism and socialism are stronger than between the capitalist countries. Comrade Stalin states in his article that these economists are mistaken and that while on the surface the present state of the capitalist world might be considered to be satisfactory, "it would be wrong to think that this satisfactoriness can be preserved forever and that these countries (the United Kingdom, France, Japan, etc.) will suffer endlessly the domination and oppression of the United States of America and will not try to extricate themselves from American bondage and embark on the path of independent development."

8. The Soviet leader thinks that the United States policy of intruding itself on the economies of the United Kingdom and France via Marshall Aid and the Mutual Security Programme, while at the same time seizing raw materials from Anglo-French markets and thereby reducing the profits of the Anglo-French capitalists, will force these two countries "to wrench themselves away from the embraces of the United States of America and engage in a conflict with it so as to ensure for themselves an independent status and, of course, high profits." As to Germany and Japan, Stalin feels that these two former great imperialist powers that were strong enough to shake the foundations of the capitalist world in the last war are also bound to throw off the fetters of the United States occupation regime and break free on the path of independent development.

9. According to Stalin, the leaders of the capitalist countries realize that the antagonisms between capitalism and socialism are stronger than between rival capitalist states, but he says that these men have always preferred war amongst themselves, because war between capitalist countries is for the purpose of the predominance of one capitalist power over another while war between capitalism and the USSR involves a danger to the *very existence* of capitalism. From the above reasoning the capitalist leaders will not wage war against the USSR and the only purpose of their constant warnings about the "aggressive intentions of the USSR" is for propaganda purposes, as capitalist leaders do

not believe in this aggressiveness themselves "for they take into account the peaceful policy of the Soviet Union and know that the Soviet Union itself will not attack the capitalist countries." To back up his thesis that capitalist countries are more likely to wage war amongst themselves Stalin quotes the example of the last war which began between rival capitalist powers but when the USSR was attacked by one of these, the other, instead of joining its former enemy to destroy the Communist citadel joined the USSR in order to defeat its capitalist rival.

10. Stalin also scotches the theory that because of the present powerful popular forces advocating the defence of peace and opposing a new world war, Lenin's thesis that imperialism inevitably engenders war no longer applies. Stalin says that the present Peace Movement has as its aim the arousing of the people in a fight for peace but not the overthrow of capitalism and establishment of socialism. While it might be successful in averting a given war or helping maintain a given peace this is but temporary and the Peace Movement cannot of itself destroy the inevitability of war between capitalist countries.

11. To summarize, war is still inevitable between capitalist states which for various reasons prefer war amongst themselves to endangering their whole system by war against the socialist bloc.

12. Mr. Malenkov[1] elaborated on Mr. Stalin's article in his report to the 19th Party Congress, in which he first described the economic situation in the world today with its division into socialist and capitalist camps, then gave a resume of the international situation since the last Party Congress with the United States cast in the role of chief villain, and finally discussed the aims of Soviet foreign policy.

13. The post-war period, according to the Communist Party Secretary, has been one of new economic difficulties in capitalist countries due to the developing expansion of United States imperialism which is aggravating the inherent antagonisms amongst capitalist powers and at present forcing these powers to militarize their economies. The United States is blamed for this situation for she is the "main force disorganizing the economies of other capitalist countries by destroying historical multilateral economic relations between capitalist countries and replacing them with unilateral relations with the United States, by dumping her own exports and imposing high tariffs on imports, by stopping Western Europe from receiving food formerly obtained from Eastern Europe and by imposing an economic blockade on the socialist bloc."

14. This policy, says Malenkov, is bound to confirm Stalin's thesis that wars between capitalist countries are inevitable, for it is impossible that the United Kingdom, France, Western Germany or Japan "will not attempt somehow to extricate themselves from the United States yoke so as to live a free and independent life." At this moment the United States is trying to avoid the inherent capitalist contradictions by advocating remilitarization, and "United

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[1] Georgi Malenkov, vice-président du Conseil des ministres de l'Union soviétique.
Georgi Malenkov, Deputy Premier of Soviet Union.

States imperialism has finally cast aside the mask of resuscitator of the economy of capitalist countries via Marshall Aid, and United States aid is now only given for armaments for the preparation of a new war." This sentence is particularly interesting as it seems to confirm the suggestion put forward by Mr. Kennan[2] in his recent paper on NATO (my despatch No. 824 of September 19)[†] that the Soviet Union really became seriously alarmed at United States intentions when that country without, to the Soviet mind, sufficient reason, abandoned the highly successful Marshall Plan in favour of the Mutual Security Programme which is now putting such a heavy strain on so many of the economies of Western countries.

15. In contradistinction to this picture of economic conditions in the capitalist world, Malenkov portrays the Soviet Union and its allies as a united, friendly group of nations who, through planning, are advancing steadily, Five-Year Plan by Five-Year Plan, to the goal of communism. To make his point Malenkov claims that industrial production has increased 13-fold in the USSR since 1929 as opposed to the United States and other capitalist countries where production has at the most only doubled. He quotes a table to indicate this trend which is a fair example of specious communist reasoning for he takes as his starting point from which to compare production trends in the socialist and capitalist world the year 1929, which was the year of the highest industrial development in the Western world between the two Great Wars, while in the Soviet Union it was only the beginning of the first Five-Year Plan.

16. Malenkov's political review of the post-war world is a fairly routine description of how the United States in 1945 abandoned its ally the Soviet Union and denounced the agreements made at Yalta, Teheran and Potsdam; of how the United States tried to obtain economic control of Western Europe via Marshall Aid; of how she is gaining military control over Western Europe via NATO; and how she is remilitarizing Western Germany and Japan; of how finally, in order to solve her economic problems, she started the war in Korea. The situation at present, therefore, is one of the United States spurring the other capitalist states to war and these countries abandoning their national policies in deference to the United States. Malenkov then jibes at France for taking part in the revival of its life-long enemy, Germany, and twits the once powerful Britain for being a junior partner of the United States. The only reference to Canada comes in this context, in the form of a rhetorical question: "Is it the Communists rather than the American billionaires who have seized Canada and are seizing Australia and New Zealand. . .." The result of this United States policy, says Malenkov, will be the same in the political field as in the economic field for the other capitalist countries will throw off United States influence "as presumably peace-loving democratic forces will emerge in Europe who will find a way out of the impasse into which they have been driven by the United States."

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[2] George F. Kennan, ambassadeur des États-Unis en Union soviétique.
George F. Kennan, Ambassador of United States in Soviet Union.

17. Malenkov makes several references in passing to peaceful co-existence. He declares that it is quite possible, "given a mutual desire to co-operate, readiness to carry out commitments undertaken, and observance of the principle of equality and non-interference in the internal affairs of other states." Specifically with regard to the United States, the United Kingdom, France and other bourgeois countries, he repeats that "the USSR is, now too, prepared for co-operation with these states, bearing in mind the observance of peaceful international norms and the ensuring of a firm and lasting peace." He asserts that they are confident that in peaceful competition with capitalism, the socialist system will prove its superiority but that they have no intention whatever of forcing their ideology or their economic system upon any one.

18. The concluding part of the speech gives a short resume of Soviet foreign policy since the war and an indication in general terms of the policy to be followed in the next few years. Malenkov states that after the war the Soviet Union considerably reduced its armed forces "which at present do not exceed the forces on hand before the war," that the Soviet Union immediately withdrew its forces from many countries such as China, Bulgaria, Czechoslovakia, Norway, etc., and that to show its peaceful intentions, passed in 1951 the Law on Defence of Peace, declaring war propaganda a heinous crime against humanity. Not only has the Soviet Union followed a peaceful policy, says the Party Secretary, but she has made constructive proposals to solve the various international difficulties of the post-war world, such as the Malik proposal on the Korean peace negotiations. Malenkov also says that while the United Nations is now being used by the United States as an instrument of its foreign policy, the Soviet Union "is standing up in the United Nations for positions of peace". This last statement is interesting in that it is a fair indication that the Soviet Union does not intend to leave the United Nations.

19. The Party Secretary closes his speech by repeating the same theme employed by Beria[3] in his November 7 speech of last year —"at present the camp of socialism is becoming stronger and stronger, and while we will not force our system on anyone, we are aware of the menace of new aggressiveness and will go on strengthening our defence capacity, for the third world war when it comes will cause the final collapse of capitalism." Malenkov finishes by laying down the following "tasks of the Party in the sphere of foreign policy:"

1) The struggle against preparations for a new war;

2) The advocacy of international co-operation and business relations with all countries;

3) The strengthening of relations with the friendly countries of the socialist bloc;

4) The strengthening of the defence might of the Soviet state so as to give aggressors a crushing rebuff.

20. From the foregoing resume of Stalin's article and Malenkov's speech I think it possible to draw certain conclusions as to future Soviet policy. Stalin's

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[3] Lavrenti Beria, vice-président du Conseil des ministres de l'Union soviétique.
Lavrenti Beria, Deputy Premier of Soviet Union.

new theory on the disintegration of the world market into two parallel markets merely formalizes in the economic sphere what has already been the Communist view in the political sphere. The policy that will stem from it will probably involve an effort to strengthen the socialist bloc by further integration of the various economies in that bloc. The recent Sino-Soviet negotiations and the fact that all the satellite leaders are attending the Party Congress tend to confirm this view. While Malenkov states that one of the goals of Soviet foreign policy is "promotion of business relations of all countries", this should be compared with the following extract from Stanlin's article: "The tempo of industrial development in the socialist camp will soon reach a point where these countries not only will not need to import goods from the capitalist countries but will themselves feel the necessity of releasing surplus goods of their own production." I think we can, therefore, assume that the main effort of the Soviet Union in the economic field will be towards further integration of the various communist economies and a moratorium on foreign trade except for propaganda purposes and where urgent strategic needs require it.

21. The picture of a declining economy in the capitalist world and of rapidly growing strength in the communist bloc has now been given the stamp of orthodoxy by Stalin and Malenkov. You will recall that Mr. Kennan told me he thought there was reason to think the Soviet leaders really believed that the capitalist economies were undergoing serious difficulties and that the weight of re-armament might prove too much for them. Stalin's pronouncement on the subject would seem to confirm this. While we may well be uneasy at the inaccurate idea of the Western world held in the Kremlin, it has its advantages in that it would tend to convince the Soviet leaders that time was on their side and that it is simply a question of avoiding war, keeping up the pressure on the capitalist system and waiting for its final collapse.

22. By his re-statement of the Communist belief that the next war is inevitable and will be fought between rival capitalist powers, Stalin really seems to be saying that he does not foresee war in the near future for, as he admits, the United States is at present all-powerful in the capitalist world and therefore conditions for Stalin's "inevitable war" do not as yet exist. By stating that the next war will only be between capitalist powers, and by the omission of any reference to the possibility of war between the United States and the USSR, he certainly implies war between the United States and the USSR can be avoided and that the Soviet Union is not at the moment planning any agressive move. I think we can assume from this that the Soviet Union will continue to arm itself but that there will probably not be a world war precipitated by the Russians at least for the next few years. I also think we can assume that the cold war will be continued in its present form. No doubt there will be a difference of tactics in carrying on the cold war but the strategic objectives will be the same, i.e. the weakening of the capitalist economic bloc and the encouragement of a renewal of former capitalist rivalries.

23. If we can assume that the Soviet leaders are not planning a war at the present time but are planning a continuation of the cold war, what immediately interests the West is what new tactics the Communists will use to obtain their

objectives. I realize that a number of observers think that the new tactics will include a return to the classical Communist policy of a united front with the various socialist parties of the West and to back up this view these observers point to the new policy now being followed by the French Communist Party. Mr. Malenkov's words that "presumably peace-loving democratic forces will emerge in Europe" also lends credence to this view. It is very possible that these observers are right but if so it is rather difficult to explain the vicious attack made by Malenkov against the socialist parties of Europe, which I think is worth quoting in full:

"Direct responsibility for this anti-national policy (membership in NATO) of the ruling circles is borne by the right-wing Social Democrats, first and foremost by the hierarchy of the British Labour Party, the French Socialist Party and the right-wing Social Democratic Party of Western Germany. The right-wing Socialists of Sweden, Denmark, Norway, Finland, Austria and other countries are marching in the footsteps of their brethren and during the whole period since the second World War have been fighting furiously against the peace-loving and democratic forces of the peoples. Contemporary right-wing social democracy, in addition to its old role of flunkeys of the national bourgeoisie, has turned into a spy-ring for foreign American imperialism and is carrying out its dirtiest assignments in the preparation for war and in the struggle against its own peoples."

24. While the socialist movement has been traditionally Communism's most dangerous enemy, one would think that if a united front policy were now to be followed, this historic antagonism would have to be played down for tactical purposes. An alternative policy that might be followed by the foreign Communist parties would be the encouragement in such countries as Western Germany or Japan, of those people of known nationalist, chauvinist views with the eventual hope of enabling these forces to come to power, setting the stage for eventual capitalist rivalry with the United States.

25. This again is mere speculation as it is too early to foresee the form of the new Communist tactics. They well might be a combination of a united front policy in certain countries such as France and Italy, the encouragement of nationalist movements in such countries as Germany and Japan, and the maintenance of the "hate America" campaign in a continued attempt to isolate that country from its allies.

26. One final aspect of the two documents under discussion is, I think, worth bringing to your attention, and that is the supreme confidence of the Stalin article and the almost overweening arrogance of the Malenkov speech. There is no doubt that the Soviet Communists, on reviewing the world picture since the last party congress, have good reason to feel pleased with their enhanced political position in the world, and this, together with their improving industrial production, is probably the cause of such evident confidence. It is important, I think, to be aware of this attitude for, while it leads the Soviet leaders completely astray in any attempt to assess the strength of the free world, at the same time it will, I think, make it almost impossible for the West to carry on any serious negotiations on outstanding problems for a good time to come.

27. To summarize I think the following conclusions might be drawn:

a) According to the Soviet view, the world is *de facto* divided into two diametrically opposed systems. The capitalist economic system is declining and the Communist increasing. In spite of much written in the past on the subject, a clash between the two is not probable in the near future, though internecine struggles in the capitalist world are a possibility.

b) As a result of the division of the world in the economic as well as the political field, Soviet economic policy will move towards an ever increasing integration of the various economies of the Soviet bloc so as to complete economic autarchy and at the same time build up a strong centralized economic weapon with which to accomplish communist international objectives.

c) The Soviet Union does not plan an aggressive war at this time but will continue the cold war using new tactics made necessary by Western counter measures such as NATO and the increasing integration of the West. These new tactics might possibly involve a continuation of the "hate America" campaign to isolate the United States, encouragement of nationalist chauvinism in such strong industrial nations as Germany and Japan, and a return to a united left-wing front with the socialists in such countries as the United Kingdom, France and Italy.

d) Internally the Stalin article and the Malenkov speech will have the effect of increasing the confidence of the Soviet people in the strength of their country and ideology, at the same time reassuring them about the danger of war. It should also go far towards increasing the prestige of the Communist Party and its leaders.

28. I am enclosing the JPRS translations of the complete article by Mr. Stalin and that portion of Mr. Malenkov's speech dealing with international affairs. I apologize for the length of this despatch, but the very great importance of the two documents I have analyzed made it difficult to be more brief.

R.A.D. FORD

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964. DEA/7802-40

Le chargé d'affaires en Union soviétique
au secrétaire d'État aux Affaires extérieures

Chargé d'Affaires in Soviet Union
to Secretary of State for External Affairs

DESPATCH 947 Moscow, October 27, 1952

SECRET

SOVIET FOREIGN POLICY

Reference: My Despatch No. 863 of October 9, 1952.

I have attempted over the past few weeks to send reports on the various important new developments in Soviet internal and external affairs. Now that the delegates, both Soviet and foreign, to the 19th Party Congress have departed and we have had a chance to sift through the torrents of oratory, it is time to try to estimate what the general effect has been. In this despatch I shall confine myself to foreign policy. In a later one I shall try to analyze the internal significance of the Congress.

2. It is, of course, impossible completely to separate the two and one or two facts from internal affairs are clearly important for a report on Soviet foreign policy. The first is that Stalin is without a shadow of a doubt still fully in control of the Party and the country and his authority has been even further enhanced by the Congress. The second is the decision to announce the second post-war five-year plan. The third is the apparent lack of any serious dissension within the Party.

3. The significance of these three facts is that we must concede that internally things are probably going well and that the control of the country, of the Soviet bloc, and of the other Communist Parties throughout the world is complete and unchallenged. I doubt, in fact, if the Congress could have been held if this situation had not existed.

4. You will recall that Mr. Kennan suggested to me early in September that there had been a period of indecision and hesitancy in Soviet policy dating from late 1950 to this summer, and that during the summer whatever caused these hesitations had been eliminated. Certainly within the last two months the Soviet leaders have shown a surer grasp of affairs and a new note of confidence could be detected. This note of confidence, almost of over-confidence, has been struck again and again, both in Stalin's article and speech and in the speeches of Molotov, Malenkov, Bulganin, Beria and others. And unlike the blustering report of Beria at last year's celebrations of the 7th November, it seems to be based on a new and more optimistic estimate of the world situation.

5. According to this estimate, the Western Powers, while still very strong, are running into economic difficulties which are likely to increase because the world market no longer exists and is divided between the communist and capitalist systems, the latter of which is continually shrinking. This is more likely to lead to dissensions and wars between the competing capitalist powers than a war between them and the USSR. This danger nevertheless exists because the Anglo-American imperialists need to prepare for war for their own purposes. If it should come, the Soviet Union, though bent on peaceful purposes, can nevertheless beat off any new aggressor.

6. Improbable though some aspects of this assessment may appear to us I think we must accept the fact that it is probably believed by the majority of the Soviet leaders. The extent to which they think capitalist dissension will lead to internecine strife is a matter of doubt. Nevertheless the Soviet press since the Congress has been making great play of "contradictions in the camp of the imperialists", in particular of the recent contretemps in Franco-American relations, the complicated relationships and disputes between the Western European countries over the EDC and Schuman Plan, Anglo-American

contradictions, especially with regard to non-participation by the United Kingdom in Anzus, dissatisfaction among the vanquished, Western Germany, Japan and Italy, with the United States "diktat" and so on.

7. There is, of course, a considerable difference in degree in what is published for public consumption and what is considered by the Soviet leaders as facts on which to base action. Even dismissing the idea that early war between the capitalist powers is probable, the Kremlin nevertheless would not be unjustified, on the basis of the biased reports that likely reach it, in deciding that the unity of the West was not so sound as originally believed. Added to the political squabbles would be the Marxist interpretation of the inevitability of increasingly bitter competition for a shrinking capitalist market, and the reports of growing anti-American sentiment in Western Europe, Japan and Germany. I think then that the Soviet leaders have probably seriously come to the conclusion that while the Western alliance certainly represents a very serious threat not only to the further expansion of their power, and even of an eventual attack on the USSR, in the long run the internal contradictions in the Western camp will emasculate it and lessen the danger to them.

8. In my despatch No. 654 of October 15, 1951, you will recall that I examined the new theoretical interpretation by the Russians of "capitalist encirclement" which was proclaimed to be no longer just a geographical concept, but rather a political concept. It is interesting to note that neither Stalin nor Malenkov mention this old bug-bear at all. It is possible that they decided it was no longer dignified to describe a great power, and its bloc, as capable of being encircled, or it may be that it just no longer fits into their present picture of a world more or less evenly divided between the Soviet and capitalist systems. In any case it is further proof of the developing picture of Soviet confidence in themselves.

9. The nature of the Fifth Five-Year Plan, insofar as one can accept Soviet statistics, and the decision to make public its existence, point also to Soviet confidence in their ability to avoid war in the near future. The decision to announce the plan after it had been secretly in operation for over a year and a half probably means that it was only last summer that they made up their minds that war would not come soon and that the objectives of the plan could be announced and carried through without the necessity of abandonment suddenly for an all-out re-armament drive.

10. The effect on the Soviet public of the new Soviet estimate of the international situation and the relative positions of the two blocs is difficult to determine. While the average Russian has been repeatedly warned that the danger of war still exists and that the West is still very strong, nevertheless the important point for him would, it seems to me, be Stalin's reassurances that war between the capitalist powers is a more likely event, that Western strength is declining relatively and its unity is a fiction, and that capitalist encirclement is no longer important. While the Soviet leaders seem to feel the necessity of painting the blackest possible picture of the international situation in order to justify continued hard work and the absence of consumer's goods, this is usually alternated with occasional reassurances, often from the mouth of Stalin

himself, that war can be avoided. This time, however, they seem to have overdone it in the other direction. If there is any tendency on the part of the Soviet population to relax as a result, I am sure we will shortly have a new tack intended to correct the picture for internal consumption.

11. Insofar as the Soviet public is concerned I think the Stalin article must have been directed towards three specific types of doubters or latent critics: first, the purists who wondered if Soviet internal and external policy was not pulling the country away from the goal of communism; second, the sceptics who doubted that communism could ever be achieved either in the USSR or in the world; and third, those who must have had doubts about the efficiency of Soviet foreign policy which had only succeeded in creating a solid anti-Soviet alliance and brought close the danger of war. To the latter, Stalin re-affirms the doctrine of the inevitability of the capitalist alliance breaking up, and reassures them that the USSR can take care of itself.

12. To return to the question of the Soviet belief in increasing contradictions among the capitalist powers, it would seem logical for the Soviet leaders to attempt to hasten the process of disintegration of the North Atlantic Alliance. Both the Italian Ambassador and the French Chargé d'Affaires think that a new tactic may in time be evolved to try to weaken the strength of NATO in France and Italy. Their reasoning is based on the strength and importance of the Communist Party in these two countries, the potential amount of uneasiness with German policy and the scale of re-armament, and in the case of Italy, the special reference to it both by Stalin and Malenkov. Certainly Stalin's new directive to the foreign communists could have little chance of success except in France and Italy.

13. As regards the United Kingdom, there is nothing so far to indicate any new Soviet policy, and the official speeches at the Congress continued to refer to Anglo-American imperialists. However, the differences in the Labour Party have been fully reported by the Soviet press, and disputes, or potential disputes, between the United Kingdom, France, Germany and the United States are clearly being very carefully followed. It may be that Mr. Gromyko's task will be to assay the moment when he thinks a new Soviet line towards the United Kingdom would have the greatest effect.

14. The presence of practically all the important communist leaders from the outside world at the Party Congress, their actual participation in its sessions, and the fact that Stalin's one intervention was addressed to them, is further proof, I think, that the Russians still attach more importance to working with them and other groups not favourable to the governments of their countries, rather than by direct diplomacy. In other words, even if the Russians decided it was worthwhile trying to detach the United Kingdom, France, Italy and other Western European countries from the United States, the method used, inefficient though it might seem to us, would still be that of appealing directly to the people over the heads of their governments. It is interesting to note, however, that Stalin seems well aware of the limitations of the "Peace" movement in this connection.

15. The first United States reaction to developments (Mr. Acheson's and Mr. Stevenson's speeches) predicting a major shift in Soviet foreign policy may well be right, but I personally do not see on what it is based. Certainly, insofar as relations with the United States are concerned there is no sign of betterment. They have, in fact, declined rather spectacularly in the last six weeks and I think are likely to continue to be strained. But this of course, might fit in very well with some attempt to woo the European allies, as I suggested in my despatch No. 866 of October 8,' concerning the Soviet expulsion of Mr. Kennan. The anti-American press campaign continues but has lost the intensity it reached last spring.

16. It seems to me that what has happened may be something along the following lines. Over the previous year and a half there was considerable doubt among the Soviet leaders as to the degree of seriousness of the international situation, with some of them advocating the necessity of a modification of Soviet policies to lessen the danger of war and split the anti-Soviet alliance; and with others insisting on holding firm and perhaps even advocating a preventive war. By July both the extremists had probably been over-ridden and a firm estimate of the situation had been worked out based on a kind of middle-of-the-road policy. In other words the period of post-war military or revolutionary expansion of Soviet power is ruled out; but at the same time so is the defeatist policy. I think the United States estimate of what the Party Congress decided, as indicated by Mr. Acheson's speech, might have been applicable a year ago, but is wrong now. The whole point of the new Soviet position seems to be that no change of policy is necessary. I have checked my impression on this with the United Kingdom Embassy and they agree with this interpretation.

17. If then, the present Soviet assessment of the situation is sufficiently optimistic to warrant their continuing their present policies without major modifications, this has, nevertheless, certain advantages from our point of view. It means, first, that the Russians are not so worried about a Western military build-up aimed at an eventual attack on the USSR that they need launch a preventive war. It also means in effect that they recognize the division of the world into two systems and, in spite of Stalin's encouraging message to foreign communists, the temporary acceptance of a stalemate insofar as the spread of communism is concerned.

18. The danger in the situation arises, however, precisely from the optimistic assessment of the situation by the Russians, based as it must be on a number of serious miscalculations. In the first place, it means that while recognizing that the danger of war exists, the Russians are not prepared in theory to compromise to eliminate or minimize this danger. In practice, however, I think they would go slow in areas where they think their interests were not of first-class importance in order to avoid a general conflagration. Nevertheless, I think the present Soviet attitude has increased the possibility of incidents in the cold war setting off a dangerous chain reaction.

19. The second danger lies in the fact that if the Russians are capable of making serious miscalculations in such fields as the relative strength of the

capitalist economies, the position of the bourgeoisie and communists abroad, and the possibility of war between capitalist countries, then they are equally capable of making miscalculations in other sectors which might have most serious consequences. I have a feeling, however, that these miscalculations are based more on theoretical, Marxist interpretations of the long-term situation than on practical incidents in Soviet-Western relations. Provided we can make our position perfectly clear on every possible point of conflict, then I think such miscalculations as the Russians made over Korea and the Berlin blockade need not arise again.

20. Apart from the immediate future, however, the prospect seems to me singularly bleak. Barring some unforeseen event, the Soviet Union appears to be relatively free from serious internal political or economic difficulties, completely in control of the foreign communist parties, unquestionably the master of the Eastern European satellites, and so far as we can tell, still working closely with its Chinese ally. It means that, full of self-confidence about their own actual and potential position in the world, the Soviet leaders feel no need at present to change the policy of cold war.

21. Even more important, I think, is the effect this will have on Soviet relations with the Western world when our re-armament has progressed far enough to permit the "negotiations from strength" so often proclaimed as the Western goal. In my despatch No. 840 of September 30† concerning United States policy towards the Soviet satellites I said I did not believe the Soviet authorities would retire voluntarily from their positions in Central and Eastern Europe. I am now more convinced than ever that the USSR is not prepared to give way on any major issue in order to improve relations with the West, or lessen the danger of war. Whether a further increase in our strength would be able to change the Soviet attitude is a moot point. It would depend to a certain extent on the Soviet estimate of our strength and determination, which up to now does not seem to have been particularly accurate.

22. We have passed safely through two dangerous periods, the first between 1946 and 1950 when the countries neighbouring on the USSR lay unarmed and defenceless before Soviet might, and the second from 1950 to the present when the Soviet authorities were undoubtedly alarmed and uncertain about Western intentions and might easily have resorted to the expedient of a preventive war. The danger of the coming period, before Western rearmament is complete, lies in the false Soviet estimate of the relative strength of the two blocs, and the apparent determination of the Soviet leaders to continue the policy of the cold war unchanged, though possibly concentrating even more on portraying the United States as the enemy and trying to isolate it from its allies. Given growing United States exasperation with the situation of neither peace nor war, and Soviet self-confidence, I think there will be a real danger of minor clashes turning into something more serious.

23. But the really great peril lies in the period when our rearmament is completed and the two great giant blocs face each other fully armed. Our reasoning up to now has been based on the feeling that the Soviet authorities would recognize that their policies had not only not produced results but had

led to the brink of war with a united West. Up to now Western policy has stopped Soviet expansion, but it does not seem to have brought about any fundamental change of heart on the part of the Russians. Perhaps, if we can increase our defences according to schedule and without impairing our basic economies or the unity of the Atlantic world, the Soviet leaders will re-examine their premises and come up with a revised and more realistic estimate of the situation. But there is a good chance that they will not, and I submit that we should keep this in mind in determining our future policies.

R.A.D. FORD

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965. DEA/5198-40

Le chargé d'affaires en Union soviétique
au secrétaire d'État aux Affaires extérieures

Chargé d'Affaires in Soviet Union
to Secretary of State for External Affaires

DESPATCH 1009 Moscow, November 25, 1952

SECRET

19TH CONGRESS OF COMMUNIST PARTY — INTERNAL DEVELOPMENTS

Reference: My despatch No. 947 of October 27, 1952.

In my despatch under reference I attempted to estimate what the general effect of the Congress had been on Soviet foreign policy. In the present despatch I shall submit a few reflections on the internal aspects of its work. Unfortunately, in spite of the vast number of speeches and reports, the number of facts we have from which to proceed is still very small and conclusions therefore have to be pretty speculative. I shall try to avoid repeating information sent in my more detailed despatches covering the work of the Congress, but simply try to give an overall picture.

Position of Stalin

2. I think the first important fact which can be adduced from the Congress is that Stalin is still firmly in control of the Party and the country and that no one stands near him in prestige or importance. So far as I can observe from Stalin's two recent public appearances, he is in good health and spirits (see my despatch No. 975 of November 11, reporting on the 7th November celebrations).† This is the first time in many years that he has appeared at either the Bolshoi Theatre meeting on November 6 or the parade in Red Square on November 7, and he would hardly risk the latter particularly if he were not in good shape. Furthermore the thunder of the Congress was stolen by the publication of Stalin's *Bolshevik* article a few days before the meeting of the delegates, so that even though the main report was given by Malenkov, the important working document was, in fact, Stalin's article. The foreign speculation which has gone on intermittently for the last three or four years,

that Stalin was either dying or a "prisoner of the Politburo", we can now confidently dismiss as the nonsense it clearly was.

The Succession

3. The question of the succession, insofar as we can tell, has been left unsolved. Molotov opened the Congress with a brief speech but took no other reported part in the proceedings. When I saw him side by side with Stalin at the 6th November celebration, I thought he looked like a very tired old man, older in fact than Stalin, who is 10 years his senior. I wonder, therefore, if Molotov can be a serious contender for Stalin's role since, if the latter should hold on for another few years, I would think Molotov could hardly be in a position to take over.

4. Malenkov certainly had the next leading role in the Congress by the choice of him to give the long keynote speech. It was, however, a singularly uninspired and unoriginal effort and throughout the entire report went the theme of adulation of Stalin. It was presumably not given by Stalin because he did not feel up to the 5 hours required for reading it, but it is in every sense a mere reflection of Stalin's thinking. Apart from the report nothing was done publicly at the Congress to encourage the idea that Malenkov would be pushed forward further into the limelight in order to prepare him, and the Soviet public, for taking over eventually from Stalin. He now holds more positions than any other important Soviet leader except Stalin, and I think we can assume from this that he is the favourite in the race. But it is also clear that Stalin is determined for the time being to carry on himself and has yet to decide finally on his successor. And certainly from my observations of Malenkov, and the little I have picked up in conversations with Russians, a very great public relations effort will be needed to "put Malenkov across" to the Soviet public. He is most unattractive physically with a cold and supercilious air, lacking completely the warmth and strength that Stalin's personality commands.

The Location of the Centre of Power

5. The abolition of the Politburo and Orgburo, and the creation of a Praesidium of 25 members plus 11 candidate members, and the enlargement of the Secretariat and the Central Committee, make it more difficult than ever to determine where the centre of power is located. Attached to this despatch is a chart I have worked out listing all the members of the Praesidium and a few candidate members, and showing other important party jobs held by them.† I have also listed them according to their appearance at the celebrations of the 6th and 7th November. While some of the members of the Praesidium were certainly taking parades in other parts of the country, such as Andrianov in Leningrad, others were not mentioned at all and I think in general it is safe to assume that attendance at these functions is practically concomitant with being close to the centre of power.

6. These calculations show that only Stalin and Malenkov are to be found in all five columns. Of the remaining members of the old Politburo, except of course Andreev and Kosygin, who have been demoted, Beria, Molotov and

Kaganovich fall in four columns, but they are not members of the Secretariat; Ponomarenko and Krushchev in four, including the important Secretariat; while Mikoyan, Bulganin and Shvernik are only in three. Voroshilov, incidentally, was not mentioned in the celebrations and it is rumoured that he is ill. The three most important new men are clearly Suslov and Aristov, who occupy four columns, including the Secretariat, and Saburov who is in the Revision Commission. I would also add Pervukhin who, though he is not on either the Secretariat or the Revision Commission, was chosen to deliver the annual report to the Party on November 6. I have also listed the remaining members of the Praesidium and candidate members from which one can get an idea of those likely to be heard of most in the future — Pegov, Brezhnev and Ignatov. Mikhailov, while a member of the Secretariat, is too old to be called a coming man. Kuznetsov, however, though on neither the Secretariat nor Revision Commission, seems likely to play a more important role in the future.

7. In the past it was fairly easy to calculate who was in the group which clearly ran the USSR because they were always carefully listed in order of precedence on each May 1 and November 7. This year, however, *Pravda* simply referred to those who appeared in the place of honour as a group of Stalin's closest friends and advisers. It is likely therefore that the inner circle will become more difficult to discern and little information will be forthcoming about the parts played by individual members of the Praesidium. All I can venture to say now is that Malenkov seems to be the first lieutenant of Stalin; that Molotov, Beria and Kaganovich of the old Politburo continue to hold their own; that Voroshilov, Shvernik, Mikoyan and Bulganin occupy a secondary role; that Krushchev seems to be the person who has made the greatest advance; and that of the newer members the most important are Ponomarenko, Suslov, Aristov and Saburov; while Shkiryatov is still Chairman of the Party Control Commission, a position he has held for many years, and therefore a power in the Party. It should be noted, incidentally, that all the members of the Secretariat were in Moscow for the 7th November celebrations, probably a further indication of the importance of this group.

Reasons for Holding the Congress

8. It is still not entirely clear why the Congress was held at this time. It has not decided on the succession nor formulated any new programme, though it has set up a Revision Commission to draw up a new set of Party directives, the first since 1917. The Congress has approved the 2nd Post-War Five Year Plan in accordance with previous practice, but this was obviously not necessary, particularly as the Plan had actually been in operation for a year and a half. According to the Constitution of the Party it was obligatory for the Congress to approve the new by-laws and especially to approve the abolition of the Politburo and Orgburo and the creation of the Praesidium.

9. I think it probable that the Politburo had decided that they had mastered the worst of their post-war problems, that things were going relatively well internally and that the external situation was not so serious as first imagined. Therefore the time was ripe for a display of strength, for the despatch of

certain business which could best be done by the Congress, and for the closer association of the rank and file with the party hierarchy.

10. I mentioned in an earlier despatch last spring that I thought the intensive party meetings throughout the country, including some pretty thorough shakeups, as in Georgia, might be the prelude to the All-Union Congress. Looking back on it it seems probable that preparations had in fact been going on for a great deal longer than that. The Russian Secretariat of the United Kingdom Embassy claims they may have started in 1948 and ideological foundations can be found in the linguistics dispute of June 1950. In any event one of the main tasks of the Congress, to shake up the party machine, was largely done before the Congress met. There were very few surprises at the Congress itself except in the anticipated infusion of new blood into the upper brackets and the attempt to broaden the basis of the governing organs by bringing in regional party bosses, technicians, intellectuals and responsible ministers.

11. The Congress certainly accomplished one of its purposes in permitting the Party to broadcast to the Soviet people and to the world its estimate of its accomplishments since March 1939, when the 18th Congress was held, and the list of achievements is truly great. Furthermore it permitted the summoning together of a most impressive array of foreign Communists and heads of governments from half a dozen countries of the Soviet bloc. Such a gathering could not and would not have been held if the Soviet leaders had not resolved among themselves any doubts or dissensions which may have existed over the past year and a half.

12. Certain "contradictions" in the Soviet society had undoubtedly been of concern to the Soviet leaders for some time, and the Congress may have had as one of its aims to outline these problems and to advance solutions in the form of tightened discipline and centralization of power and control. Whether this policy will be successful in the long run is a question I shall discuss further below. The main "contradictions" which, it seems to me, were revealed by the Congress were:

a) Between the Party hierarchy and the rank and file;

b) Between the Party politicians and the experts or technocrats;

c) Between town and country, or between industry and agriculture;

d) Between intellectual and manual labour, or between theory (i.e. bureaucratic planning) and practice.

The Hierarchy and the Party Rank and File

13. With regard to the question of lessening the gap between the party hierarchy and the great mass of the party and people, the confrontation of the hierarchy and the apparat, which Mr. Kennan mentioned to me as one of the significant things likely to arise from the Congress, hardly had a chance to take place. The delegates were apparently selected with the greatest of care and the whole proceedings streamlined in a most masterful way. As is not very surprising, the whole Congress was organized so that there could in fact be no

participation by the delegates. The speeches and interventions were all planned in advance and took place right on schedule with the applause equally being limited in accordance with a time-table. I got this information from the Finnish Minister who had it from Ralph Parker, the correspondent of the *London Daily Worker*, hardly an unsympathetic observer.

14. Of the 235 members and candidate members of the Central Committee not one is what could really be called a "working-man." I doubt even if the remaining delegates could accurately be described as a cross section of the inhabitants of the country, or at least of the three classes on which the Party is supposed to rest — the workers, the peasants and the intelligentsia. Many of them possibly were originally but by the time they reached sufficient eminence to be chosen as delegates to the Party Congress they had long since attained the upper brackets of either the Party or State bureaucracy. It must be admitted, however, that a Russian Communist's idea of active participation undoubtedly differs widely from ours, and just the fact of sitting in the Great Hall of the Kremlin together with the leaders of the country and being permitted to raise his hand when required may constitute participation for him.

The Politicians and the Experts

15. I will not go again into the question of the apparent attempt of the Party to assimilate the state bureaucracy and technicians into the Party hierarchy, as I have covered it in detail in my despatch No. 900 of October 23.† Suffice it to add here that this process, which is a logical one in any case, seems well under way. The Party bureaucrats and the state managers and technicians are becoming more closely identified in the one thing which they have in common — the protection of their class interests. As for the remaining 190 or more millions who are neither party members nor top bureaucrats, the class division is great and growing deeper. The interest of the average Russian in the Party Congress, was, so far as one could make out, practically non-existent.

Town versus Country

16. Stalin's article revealed that there were a number of people who were anxious to bring about the removal of the contradiction between town and country (i.e. between industry and agriculture), which is the main one that stands in the way of communism, as it entails the retention of such remnants of capitalism as commodity production and exchange, the law of value, and the monetary system. As a means of removing this contradiction, many communists advocated the true Marxist proposal of giving to the kolkhozes their means of production. But this went against the policy of state control of agriculture undertaken with the amalgamation of the kolkhozes and Stalin, in line with this policy, decreed that the real way to remove the contradiction would be to take away from the kolkhozes the products which they have as

their property and sell on the market, and to gather them in gradually into a system of straight product exchange under the control of the state.

Intellectual versus Manual Labour

17. This could also be called a contradiction between theory and practice or between bureaucratic planning and the material possibilities. The contents of the three expressions are not strictly equivalent but they overlap in the realm of facts. Indeed the intellectuals, the theories they devise and the bureaucrats who would apply them, all have a natural tendency in this type of regime to lose sight of the material possibilities, the actual practice and the concrete conditions in which "manual labour" is plodding along. It is these people who were the most severely rebuked in Stalin's article and it is in opposition to their views that Stalin laid down the very practical conditions which have to be met before the USSR can enter the glorious era of Communism.

The Question of Elan

18. If the Congress had as one of its aims to produce new slogans, new revolutionary fervour, a collective appeal, it singularly failed. So long as a new class is for all interests and purposes consolidating itself here, and so long as the split between top and bottom even in the Party itself remains so great, the problem of restoring in some way the great feeling of collective drive that existed before, during and even immediately after the war is a great one. Mrs. Sohlman, the Russian-born wife of the Swedish Ambassador, told me that she visited some of her relatives in Leningrad in 1930 when she came with her husband on an official trip to the USSR. Her people had nothing to be thankful to the Revolution for, but nevertheless, she says, they were incredulous that she could be "wasting" her life as a housewife while so much had to be done, and would and could be done. They were filled with enthusiasm for an idea which seemed to them to supersede personal and even party interests. Even Mrs. Sohlman, who has been rather pro-Soviet, admits that this spirit no longer exists though the Government tries to keep it going by tremendous propaganda about the Volga-Don Canal, the reforestation projects and other of the accomplishments of the regime. But they are poor substitutes for the vision of a New Jerusalem.

19. And the strange thing is that Stalin seems to have gone out of his way to dampen the ardour of those who thought it was within sight. In another despatch I am examining exactly what Stalin says are the prerequisites for Communism in the USSR. His remarks are on the whole a practical, and from the realistic Soviet point of view, sensible estimate which may possibly appeal to the rank and file because it refers to things it can understand as prerequisites for Communism. But it is not one calculated to inspire the young and spur on the middle-aged who have had their hopes and dreams of a better life continually postponed from Five-Year Plan to Five-Year Plan.

20. The whole Congress in fact was a paean to the materialistic and practical. Indeed the only speech which carried some echoes of the old revolutionary fire was Stalin's epistle to the foreign Communists and even it was an appeal to

modify their revolutionary methods while assuring them that in the end victory would be theirs. I think the recent award of the Red Banner of Labour to the Patriarch of the Orthodox Church is typical of the cynical but practical approach to problems of the present Soviet leaders.

Inefficiency and Corruption

21. You will remember that Mr. Kennan told me his impression on coming back to Russia was that people were now more interested in their own private lives, in cultivating their own tiny plot of land, or building a dacha, than in the collective ideal. He called it "miniature Communism". The Congress, it seems to me, showed that the Soviet leaders are also very well aware of this danger and there were many exhortations to tighten discipline in the Party and the state apparatus and to eliminate inefficiency and corruption.

22. Mr. Malenkov, in his report to the Congress, devoted one section to the necessity of economising in industry as a vital factor in the further advance of the economy. It is clear that the greater utilization of production reserve will have to be reached if the increases contemplated in the Five-Year Plan are to be achieved. Malenkov then went in some detail into wastefulness and uneconomical operation of industries, including rejects, unsatisfactory utilization of production capacities and raw materials. This situation exists not only in heavy industry and light manufacturing but also in agriculture, transportation, trading establishments, and in the administrative bureaucracy. He ended by an appeal to end this state of affairs.

23. In the section devoted to the Party, Malenkov also accused the rank and file of a number of serious defects, errors, negative and unhealthy phenomena in their party-political work. He said that self-criticism and particularly criticism from below, which should be the principal method by which to bring to light errors and weaknesses, has not been fully utilized. Another section was devoted to exposing violations of Party and state discipline, particularly by failing to expose officials who were corrupt or incompetent. The poor selection of candidates for the Party, and their personnel within the Party, came in for severe condemnation, as well as poor ideological work in many local Party organizations.

24. This is not, of course, a particularly new theme and the admonitions of Malenkov vary little from those launched at the various Republican Party Congresses before the summer and in the press during the past year. They have been taken up with a vengeance since the Congress and at the numerous Party meetings now being held at various levels throughout the country they are being repeated over and over again. I do not think they represent any serious malaise in the Party. In a completely one-party, bureaucratic state such as this there must be an inevitable trend towards sloth and carelessness. And since the Party itself must tend to become on the lower levels something like a mutual protection society, it becomes difficult to overcome complacency, weed out the incompetent, keep up the enthusiasm and ideological level, and finally fulfill the task of acting as spur for the rest of the population. The present drive in my

opinion is simply one of the periodic attempts to overcome these endemic diseases.

25. This situation is certainly not confined to the members of the Communist Party. For over a year now the press has been publishing an increasing number of exposes of incompetence or corruption in industrial, educational and other enterprises, usually naming names and places. It would be an exaggeration to attach too great significance to them since they have for long been one of the methods by which a monopolistic society has been able to exercise a certain amount of control over those in positions of power. They do tend, however, to reinforce the view that personal interests are re-asserting themselves more and more insistently and that the temptation to hold on to one's position at all costs and line one's pockets is irresistible. In a later despatch I shall send you a cross-section of case histories, as they give a very good picture of the present state of Soviet society strongly reminiscent of Gogol.

Conclusions

26. Conclusions must remain pretty tentative, but on the basis of the above deductions I think one can sum up the results of recent developments as follows:

a) The internal economic situation is probably reasonably sound and has been able so far to meet the demands of increased armament without affecting the standard of living;

b) The internal political situation, while showing some weak points, is on the whole stable;

c) There are no very serious difficulties in the Communist Party itself except those endemic in the system;

d) Stalin is still firmly in power with Malenkov probably his second-in-command; the question of the succession is still unsettled;

e) Some new blood has been let in to the hierarchy, but it still remains very much isolated from the mass of the Party and the Soviet people;

f) The Communist Party bureaucracy is being even more closely identified with the state system; discipline is being tightened and control centralized even more firmly;

g) Marxism in the USSR is going to continue to be adjusted and administered according to a policy of centralization and common sense practicalities, if necessary at the expense of theory; ideology remains, nevertheless, one of the most important factors for the Soviet leaders in determining courses of action;

h) The practical prerequisites for Communism in one country have been laid down, but its achievement again postponed and the ardour of the idealists dampened;

i) The Congress produced nothing which could restore a great collective impetus to the people, and this vacuum still exists;

j) The trend towards the creation of a new upper class continues, and with it the consolidation of new class divisions and interests.

R.A.D. FORD

SECTION B

RELATIONS BILATÉRALES
BILATERAL RELATIONS

966. DEA/7802-40

Extrait du télégramme du chargé d'affaires en Union soviétique au secrétaire d'État aux Affaires extérieures

Extract from Telegram from Chargé d'Affaires in Soviet Union to Secretary of State for External Affairs

DESPATCH 610 Moscow, July 9, 1952

SECRET

REVIEW OF SOVIET FOREIGN POLICY, JANUARY 1951, TO JUNE, 1952

. . .

VI. *Canada*

25. I doubt if the Soviet authorities had any policy toward Canada except in the context of our membership in N.A.T.O. and our relationship to the United States. We received a good deal of attention, all derogatory, from the Soviet press. The theme was usually the increasing dependence of Canada on the United States and American encroachment on Canadian sovereignty. We were accused regularly of turning the Canadian north into a springboard of United States aggression against the U.S.S.R., and of simply acting as a faithful satellite of Washington. United States economic interest in Canadian industrial development was frequently pointed out, as well as the decline of United Kingdom political and economic "control". In general the Soviet authorities probably consider that Canada is too closely linked with the United States and the Western powers to permit its detachment from this bloc or even the exercise of an independent policy.

26. Relations between Canada and the U.S.S.R. continued to be correct but cool. The dispute about the payment of compensation for the Petsamo Nickel Mines dragged on with a series of notes. The Soviet authorities clung tenaciously to their original theory that payment of instalments of a debt does not have to be in the same currency as stipulated for the final liquidation of the debt. The last instalment was due on December 31, 1951, and the U.S.S.R. was in default to the amount of U.S. $2,916,625. Several approaches have been made since then to the Soviet authorities, so far without success. In spite of repeated requests for talks concerning the reimbursement of the Canadian Government for the industrial equipment shipped to the U.S.S.R. in 1945 after

the end of Mutual Aid, the Foreign Ministry had not even acknowledged receipt of our notes.

27. The Soviet Union has still not taken any step to appoint an Ambassador to Canada. Personal relations with Russians in Moscow are non-existent though two members of the Foreign Ministry took the unusual step of dining at the Canadian Embassy. Further travel restrictions were imposed in January on all foreigners in Moscow and the Canadian Government along with a number of other western governments retaliated. So far there have been no incidents though the Military Attaché was stopped in a zone near Moscow supposed to be open.

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SECTION C

RESTRICTIONS POUR LES VOYAGES
TRAVEL RESTRICTIONS

967. DEA/50132-B-40

Note du sous-secrétaire d'État aux Affaires extérieures pour le secrétaire d'État aux Affaires extérieures

Memorandum from Under-Secretary of State for External Affairs to Secretary of State for External Affairs

Ottawa, February 1, 1952

The new travel restrictions communicated to our Embassy in Moscow by a note of January 15 from the Soviet Foreign Ministry represent a substantial addition to the list of prohibited areas. In effect, the present situation is that our Embassy staff members are limited to five cities: Moscow, Leningrad, Stalingrad, Tiblisi and Odessa, and to a zone 40 kilometres in radius from Moscow. Even in this small zone around Moscow there are about twenty additional prohibited areas at least one of which begins right at the city limits. Any trip to one of the permitted places beyond the 40 kilometres radius from Moscow must be notified to the Ministry of Foreign Affairs, in writing, by the Embassy before the trip is taken. This notification must include such details as date of departure and return and full details of proposed itinerary while absent from Moscow. Normally, the Ministry does not answer these communications but, if the journey is approved, the traveller finds that he is able to buy the necessary train tickets or other tickets from *Intourist*.

2. We have now been informed that both the United Kingdom and United States Embassies in Moscow have recommended retaliation and Mr. Ford has made a similar recommendation. The State Department has intimated to us that some retaliatory action will probably be taken. While a decision has not yet been reached, it seems likely that the Russians in Washington and New York (other than press representatives and Soviet officials associated with the United Nations) will be required to ask the approval of the State Department

in advance of all trips away from Washington and New York, but that there will not be any prohibition of travel. Trips to any part of the United States will normally be approved but if a member of the staff of the U.S. Embassy in Moscow finds that "no tickets are available" for a journey to a permitted area, the next Soviet application may be refused. It is also possible that the U.S. member of the NATO Council Deputies will, in due course, ask whether other NATO governments contemplate any similar action.

3. I agree with our Embassy that the time has come for some form of retaliation, although it is most unlikely that this will help in any way to induce the Russians to relax their restrictions. The argument must be simply the desirability of a reasonable degree of reciprocity in the treatment of diplomatic missions.

4. A form of retaliation similar to that contemplated by the State Department could be adopted without any administrative difficulty. In order to avoid the need to answer every Soviet note on this subject we might instruct the Soviet Embassy only that it must notify this Department, in writing, of any proposed trip farther than perhaps 25 miles beyond the city limits of Ottawa by any member of the Embassy staff. We could require this notification at least one week before the start of the trip. The Embassy would be informed in our original note that provided proper notification was received by the Department it could assume that there was no objection to the journey unless it received notification to the contrary from the Department. This would mean that we would be able to forbid a journey if we should ever wish to do so, perhaps on the grounds that a Canadian in Moscow had not been able to make arrangements to visit one of the permitted areas. The Embassy notification should contain full details of times and places of the itinerary to be followed.

5. It would be essential to take severe action if we learned that these instructions had been violated. Presumably the Embassy would be given notice that the offender must leave Canada within a specified short period. I do not think, however, that any mention of this need be made in our original note to the Soviet Embassy. Although we might answer in advance, in our note, the probable Soviet claim of discrimination, it would perhaps be better simply to send the order to the Embassy without explanation or justification. This is how it has been done in Moscow. It will not be difficult to dispose of the claim of discrimination if one is made.

6. I attach a draft note[†] to the Soviet Embassy for your consideration if you approve the recommendation in this memorandum. This note was prepared in consultation with representatives of the Department of National Defence.[4]

A.D.P. H[EENEY]

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[4] Note marginale :/Marginal note:

The Minister w[oul]d agree to the note proposed & if we go ahead w[oul]d clear with P[rime] M[inister]. Sh[oul]d we not however consult NATO? See Canada House tel[egram]s 270 Feb. 5[†] and 391 Feb. 7[†]? & Wilgress needs instructions. Feb. 7 A.D.P. H[eeney]

968. DEA/50132-40

Le secrétaire d'État aux Affaires extérieures
au chargé d'affaires en Union soviétique

Secretary of State for External Affairs
to Chargé d'Affaires in Soviet Union

TELEGRAM 42 Ottawa, March 12, 1952

CONFIDENTIAL

TRAVEL RESTRICTIONS FOR SOVIET PERSONNEL

Reference: Your despatch No. 63 of January 24th, 1952.†

The following note was delivered to the Soviet Embassy on March 10th:

"The Department of External Affairs presents its compliments to the Embassy of the U.S.S.R. and has the honour to communicate to the Embassy the following regulations with which the Embassy is henceforth required to comply. On every occasion when any member of the staff of the Embassy or any Soviet member of the household of an Embassy staff member wishes to travel beyond a distance of 25 miles from the city limits of Ottawa, the Embassy must communicate, in writing, full details of the proposed trip to the Department of External Affairs or, in the case of a journey by a service attaché or a member of the staff of a service attaché, to the appropriate Foreign Liaison Officer of the Department of National Defence. This notification must be received by the Department of External Affairs, or by the Foreign Liaison Officer concerned, at least 48 hours before the time of departure from Ottawa. In its notification the Embassy must include the following information:

(1) The names of the members of the staff of the Embassy who wish to make the journey.

(2) The means of transportation to be employed at each stage of the journey.

(3) The final destination of the trip, together with full details of the route to be followed at every stage of the journey away from Ottawa and returning to Ottawa.

(4) The proposed date of departure from Ottawa and the proposed dates of arrival and departure for each point of the journey at which it is desired to make a stop-over.

"If the Embassy's notification of a proposed journey is properly submitted to the Department of External Affairs, or to the Department of National Defence, the Embassy may assume, unless it is informed to the contrary, that there is no objection to the trip."

2. We do not expect the rules to be broken, but if there are infractions we will use our discretion in dealing with them.

3. In dealing with the press we will avoid comment on the method of checking the observation of the rules (which is not this Department's responsibility), while trying discreetly to prevent either of the two extreme conclusions from

being drawn, namely, that Soviet personnel will be regularly followed, or that no attempt will be made to check their movements.

4. We will try to avoid the suggestion of retaliation and emphasize that our action represents the introduction of a certain degree of reciprocity into the question of travel restrictions.

5. We are as yet not applying the restrictions to the *Tass* correspondent since we have recently insisted that he is not a member of the Embassy staff or entitled to diplomatic privileges.

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969. DEA/50132-40

Le chargé d'affaires en Union soviétique
au secrétaire d'État aux Affaires extérieures

Chargé d'Affaires in Soviet Union
to Secretary of State for External Affairs

DESPATCH 237 Moscow, March 19, 1952

CONFIDENTIAL

TRAVEL RESTRICTIONS ON SOVIET PERSONNEL IN OTTAWA

Reference: Your telegram No. 42 of March 13.

I should be grateful if you would let me know what attitude you intend to take towards applications for travel by members of the Soviet Embassy. Is it the intention to approve all applications, except to those areas already declared restricted; or to refuse a certain proportion of the requests regardless of the destination?

2. We are also interested in knowing why the *Tass* correspondent in Ottawa is not included in the new regulations since the Soviet regulations in Moscow are applicable to *all* foreigners, including journalists.

3. It would have been helpful if you could have let us know earlier, or at least on Monday, that you intended to introduce these regulations. We were the only NATO Embassy in Moscow not informed of its government's intentions and it was embarrassing for us to have to reply to inquiries that we did not know what you intended to do, and in fact did not know that you had introduced restrictions on Soviet diplomats in Ottawa until four days later. Our only official news previous to that had been the item in one of the daily press bulletins last January to the effect that the government was not contemplating retaliatory measures.

R.A.D. FORD

970. DEA/50132-40

Le secrétaire d'État aux Affaires extérieures
au chargé d'affaires en Union soviétique

Secretary of State for External Affairs
to Chargé d'Affaires in Soviet Union

DESPATCH S-143 Ottawa, April 1, 1952

CONFIDENTIAL

TRAVEL RESTRICTIONS ON SOVIET PERSONNEL IN OTTAWA

Reference: Your despatch No. 237 of March 19, 1952.

In the normal course of events we shall probably not take objection to most Soviet travel restrictions. However, if a member of our Embassy staff in Moscow is unable to get tickets and reservations for a trip to a supposedly permitted destination in the U.S.S.R., we should perhaps turn down the next Soviet request. There may well be other occasions, depending on the proposed destination and other circumstances, when a Soviet trip will be disallowed. The decision to require advance notification of trips, but not to impose any absolute prohibition of travel to certain areas, was based largely on the view, shared by the Department of National Defence, that there was little real security advantage to be gained by prohibiting Soviet travel. On the other hand, the advance notification will be of practical assistance in the task of keeping track of Soviet personnel in Canada.

2. The *Tass* correspondent was not included in our note to the Soviet Embassy because we have recently insisted that he is not a member of the staff of the Embassy. Although we might have made our note applicable to all Soviet citizens in Canada, this would also have produced complications since there are a good many people living in Canada, other than staff members of the Soviet Embassy and the *Tass* correspondent, who are technically Soviet citizens. It would, of course, be a simple matter to tell the *Tass* representative personally that he is subject to these travel regulations, if we wished to include him. However, since there is only one *Tass* correspondent here, it is not too difficult to keep informed of his moves, and as there is no Canadian newspaper representative in Moscow the question of reciprocity is not directly involved. I shall let you know if it is decided to apply the new regulations to the *Tass* representative.

3. I regret that you were not notified more promptly of the action taken here to restrict Soviet travel. A telegram was prepared for despatch to you several weeks before our note was presented, but our plans were changed as a result of discussion of the matter at the Lisbon NATO meeting, and by an oversight the telegram giving you the text of our note was not sent immediately after a final decision was reached. There was in fact almost no gap between the time when

our note was finally approved and the time of its despatch to the Soviet Embassy.

C.S.A. RITCHIE
for Secretary of State
for External Affairs

2e PARTIE/PART 2

RELATIONS AVEC DES PAYS DE L'EUROPE DE L'EST
RELATIONS WITH EASTERN EUROPEAN COUNTRIES

SECTION A

TCHÉCOSLOVAQUIE : ÉVALUATION EN DOUANE
CZECHOSLOVAKIA: CUSTOMS VALUATION

971. DEA/7670-40

Le secrétaire d'État aux Affaires extérieures
au chargé d'affaires en Tchécoslovaquie

Secretary of State for External Affairs
to Chargé d'Affaires in Czechoslovakia

DESPATCH E-217[5] Ottawa, May 13, 1952

CONFIDENTIAL

VERIFICATION OF VALUES FOR DUTY PURPOSES

There has been cumulative evidence that the invoice values on certain goods imported from Czechoslovakia and Poland, particularly on textiles and window glass, have appeared too low to meet the requirements of Section 35 of the Canadian Customs Act. In some cases, in fact, the duty paid value of these goods has been less than Canadian costs of production for comparable goods. Consideration is now being given to special invoice treatment for imports of this nature. It has been agreed, however, that before this is done the Governments of Czechoslovakia and Poland should be approached on the question of verification of prices on shipments to Canada.

2. As you know, the Canadian customs law provides in respect of imported goods from all sources, that the value for duty shall be the fair market value of such or like goods when sold for home consumption in the ordinary course of trade under fully competitive conditions, in like quantities, and under comparable conditions of sale. Where the goods exported to Canada are not sold for home consumption in the country of export, the value for duty shall be the actual cost of production plus a reasonable addition for administration, selling cost and profit. The law also provides that the fair market value shall be

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[5] Le télégramme porte la mention :/Noted in telegram:
Similar sent to: Cdn. Legation in Warsaw as No. E-122.

taken to include the amount of any subsidy or drawback of customs duty which has been allowed by the government of any country.

3. These requirements are contained in the invoice certificate to which the exporter is required to subscribe. While the determination of the value in accordance with the provisions of the law is primariy the responsibility of the exporter, the law requires that everyone who acts as an appraiser shall, by all reasonable means in his power, ascertain, estimate and appraise the true and fair market value, any invoice or affidavit to the contrary notwithstanding.

4. Exporters or others, unfamiliar with the Canadian customs law, are susceptible to a considerable margin of error, thus necessitating verification. To be in conformity with the law and fair to exporters, values can only be satisfactorily verified by a customs officer, trained in the requirements of the Canadian law, from a personal and full examination of the exporter's domestic sales records and cost records where necessary. The information furnished is, of course, held in strict confidence and used for customs administrative purposes only.

5. The verification of values for duty of information obtained from the exporters' records by a governmental investigating officer is a common practice in many countries, and little or no difficulty has been encountered by Canadian investigators in respect of the personal examination of sales and cost records, when the purpose of requiring first-hand information and its confidential treatment are understood.

6. In the light of these considerations, I should be grateful if you could approach the Czech Government to request their assurance that a Canadian customs officer would be permitted, if necessary, to verify values in respect of exports to Canada. You should also request the Czech Government to facilitate, as far as their own exporters are concerned, the full disclosure of information from their sales and cost records as required under the Canadian customs law. You might wish to point out that the values to be determined are in accordance with the recognized valuation principles embodied in the General Agreement on Tariffs and Trade.

7. You will recall that a similar request was made to the two representatives of the Czech Ministry of Foreign Trade who visited Ottawa on December 12 and 13 of last year. No reply to this request has been received to date.

8. The "Confidential" security classification of this despatch applies, of course, principally to the opening paragraph.

A.F.W. PLUMPTRE
for Secretary of State
for External Affairs

972. DEA/7670-40

Le chargé d'affaires en Tchécoslovaquie
au secrétaire d'État aux Affaires extérieures

Chargé d'Affaires in Czechoslovakia
to Secretary of State for External Affairs

DESPATCH 418 Prague, May 26, 1952

CONFIDENTIAL

VERIFICATION OF VALUES FOR DUTY PURPOSES

Reference: Your despatch No. E-217 of May 13, 1952.

Before acting on your instructions I wish to be perfectly certain that I understand them and to set before you certain considerations which may possibly cause you to amend the instructions.

2. When you ask me to request the Czechoslovak Government to give their assurance that a Canadian Customs Officer would be permitted, if necessary, to verify values in respect of exports to Canada, do you mean that he should conduct an investigation *in Czechoslovakia?* This seems to be implicit in your despatch under reference, and I should like to have it explicitly stated.

3. I trust that consideration has been given to the action to be taken in the event of Czechoslovakia refusing our request. We should not bluff. If Czechoslovakia refuses to let us verify records, can we under our law and under GATT fix an arbitrary valuation for customs purposes of the goods in question and are we prepared to impose an anti-dumping duty?

4. There is of course the possibility that our man will be permitted to come here and will be shown invoices covering goods sold by a production enterprise to the appropriate export-import monopoly. Such invoices might appear to justify the export prices. The prices charged to the export monopoly might, however, have no logical relationship to the cost of production. In the Czechoslovak planned economy prices frequently exceed the cost of production by several hundred percent, and there is no reason why in some cases they should not be less than the cost of production if the national interest so requires.

5. I am informed by the Commercial Secretary of the British Embassy that the United Kingdom is also having trouble with the suspected dumping of Czechoslovak goods. My British colleague has been good enough to let me have a copy of a letter which he wrote on May 21st to the Board of Trade. I enclose a copy of the letter† and a copy of the memorandum† referred to therein. I think that you will find the memorandum most useful.

6. There is one other consideration that I think we should bear in mind. Although I am sure that you have not overlooked it I think I should mention it here. I refer, of course, to Czechoslovakia's obligation to pay us approximately $3,300,000 in each of the years 1952, 1953 and 1954, in repayment of the credits that we granted after the war. Having to pay us about $3,300,000 a

year must give the Czechoslovak government a good deal of pain. If we make it impossible or too difficult for Czechoslovak goods to compete in the Canadian market Czechoslovakia might seize the opportunity to say it could not continue the payments in full. I know of no case in which Czechoslovakia has not honoured its financial commitments but there may always be a first time. The Vice-Minister of Foreign Trade, who failed to persuade us last November to accept less than the amount prescribed in the loan agreement, was purged a few weeks later. His fall from grace may have been — indeed, probably was — due to other causes. I think it is significant however that the Ministry of Foreign Trade rather than the Ministry of Finance appears to be responsible for servicing the loan.

7. I shall not take any action on your instructions until I have heard further from you. If you still think that we should ask that a Customs Officer be permitted to come here, then we should indicate very specifically the commodities in which we are interested and the names of the export corporations concerned.

BENJAMIN ROGERS

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973. DEA/7670-40

Le secrétaire d'État aux Affaires extérieures
au chargé d'affaires en Tchécoslovaquie

Secretary of State for External Affairs
to Chargé d'Affaires in Czechoslovakia

DESPATCH E-272 Ottawa, June 20, 1952

CONFIDENTIAL

VERIFICATION OF VALUES FOR DUTY PURPOSES

Reference: Your despatch No. 418 of May 26.

We are sorry that our original instructions to you in this matter did not entirely make clear the basis on which we were asking you to make formal representations to the Government of Czechoslovakia. The present despatch is, therefore, intended to provide you with a somewhat more detailed statement of the provisions of the customs law which gave rise to our instructions and of the procedures we propose to adopt in the event that our representations to Czechoslovakia and Poland prove to be unavailing. Before dealing with some of the points raised in your despatch under reference, however, I should like to emphasize that the instructions we transmitted to you on May 13 were based on a directive agreed upon by Ministers on May 22,†[6] and that it would therefore seem desirable for you to proceed with your formal approach to the Government of Czechoslovakia without further delay, subject to the considerations set out in paragraph 12 below.

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[6] La date exacte est le 22 avril./The correct date is April 22.

2. As you know, the Canadian customs law provides a liberal and generally recognized basis of valuation of imported goods for duty purposes. Its relevant provisions are in conformity with those set out in Article VII of the General Agreement on Tariffs and Trade. The customs law does not, however, provide authority for the waiving of appraisal by reason of default on the part of the exporter to supply adequate values information.

3. Under the law every officer acting as an appraiser is required to ascertain, estimate and appraise, by all reasonable means at his disposal, the true and fair market value of imported goods, any invoice or affidavit to the contrary notwithstanding. Where invoice values appear low, customs officers must verify these values to ensure that they are in accordance with the law or, alternatively, to establish proper values for duty purposes.

4. The Canadian customs authorities prefer, and normally secure, the co-operation of exporters in furnishing the information required to establish accurate values. When, however, this co-operation is not forthcoming, appraisers have no choice but to appraise the imported goods on the basis of the best information available and in such a way as adequately to protect the revenue.

5. Verification of values, as you know, is provided for under Article XX, Section I (d), of the General Agreement on Tariffs and Trade. It is understood of course that, in enforcing compliance with their customs law, countries signatories to the General Agreement and those with which Canada has exchanged most-favoured-nation treatment will apply a uniform and non-discriminatory basis of appraisal to importations.

6. It was with these requirements of the law in mind that Ministers issued their directive that the Governments of Czechoslovakia and Poland be asked to authorize and facilitate investigation by a Canadian customs officer of domestic market prices and production costs where necessary. In the event that our previous despatch did not make this point explicit, I should add that investigation *in Czechoslovakia and Poland*, respectively, is intended.

7. Needless to say, in issuing their directive, Ministers were aware of the difficulties which are likely to be encountered by our customs officers in attempting to establish domestic market values and production costs in these countries on a comparable basis with those prevailing in other countries, and in computing a realistic exchange rate for the currency. Nevertheless Ministers felt that the two governments should be approached formally in this matter before action is taken to apply special invoice treatment to Czech and Polish imports.

8. It is, of course, more than likely that permission for our customs officers to undertake on-the-spot investigations in Czechoslovakia and Poland will be refused. Even if permission were granted, it might well become apparent that domestic market conditions in these countries are not such as to establish values in accordance with the relevant provisions of the Canadian customs law. In either event, the way would be clear for appraisal action on the part of the Canadian customs authorities.

9. With specific reference to the points raised in paragraph 3 of your despatch, the General Agreement on Tariffs and Trade does not permit arbitrary valuation for duty purposes (Article VII, 2(a)) except as an emergency action subject to the criteria set forth in Article XIX. On the other hand, Article XX, I(d) expressly provides that, subject to certain requirements, nothing in the Agreement "shall be construed to prevent the adoption or enforcement by any contracting party of measures . . . necessary to secure compliance with laws or regulations which are not inconsistent with the provisions of (the) Agreement, including those relating to customs enforcement . . . ."[7] As for our domestic law, Section 6 of the Customs Tariff provides for the imposition of an anti-dumping duty in the case of articles of a class or kind produced in Canada where the export or actual selling price to an importer in Canada is less than the value for duty as determined under the customs law. This duty is mandatory and not discretionary.

10. Regarding the suggestion made in paragraph 7 of your despatch, I do not think that it would be advisable or feasible to provide the Czechs with a list of the specific commodities which might be subject to investigation by our customs officers or of the export corporations concerned in each instance. It would be impossible for us to say at this stage what commodities are likely to be involved by the time our officers are permitted to undertake direct investigations in Czechoslovakia. Moreover, what we want from the Czechs is an agreement in principle to the procedure provided for under our customs law and not permission for an investigation in the case of certain specified commodities.

11. You will recall that last autumn, prior to the arrival in Ottawa of two officials of the Czech Ministry of Foreign Trade, the Czech authorities intimated that the reduction in the volume of Czech imports into Canada might well have the effect of jeopardizing the due fulfilment of the financial commitment Czechoslovakia had undertaken in connection with the servicing of the post-war Canadian loan. In our reply we made it quite clear that we should have to insist on keeping the servicing of the loan separate from general trade questions. While we do not see any need to raise the question of the loan in the present context at all, you should, if the Czechs should inject the loan issue into the discussions, reiterate our previous position that commercial relations cannot in any way alter the Czech obligations in respect to the loan.

12. Subject to these considerations, of which Ministers were aware when they formulated their directive to proceed with representations to the governments of Czechoslovakia and Poland in the matter of value for duty purposes, it has been agreed that your approach to the Czech Government should be delayed until immediately after July 1. As you know, the semi-annual interest payment of $125,000 on the loan to Czechoslovakia is due on that date.

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[7] Note marginale :/Marginal note:

i.e. *right* to demand, inform &/or to investigate.

13. I am attaching a copy of a memorandum (Series D. No. 43 Revised) issued by the Department of National Revenue on August 23, 1948 which contains the text of the value provisions of the Customs Act.†

A.E. RITCHIE
for Secretary of State
for External Affairs

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974. DEA/7670-40

Le chargé d'affaires en Tchécoslovaquie
au secrétaire d'État aux Affaires extérieures

Chargé d'Affaires in Czechoslovakia
to Secretary of State for External Affairs

DESPATCH 513 Prague, July 8, 1952

CONFIDENTIAL

VERIFICATION OF VALUES FOR DUTY PURPOSES

Reference: Your despatch No. E-272 of June 20, 1952.

I am enclosing a copy of the Note sent to the Ministry of Foreign Affairs on July 4, 1952.† I have an appointment with the Head of Protocol Section in the Ministry this afternoon to ask whether a decision has been made about a visa for the new Air Attaché and I shall take this opportunity of enquiring about our Note on verification of values.

In view of what we are requesting from the Czechoslovak Government I do not think that we shall get anything from the Ministry at present but a cold assurance that the note has been referred to the appropriate authorities.

K.B. WILLIAMSON

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975. DEA/7670-40

Le chargé d'affaires en Tchécoslovaquie
au secrétaire d'État aux Affaires extérieures

Chargé d'Affaires in Czechoslovakia
to Secretary of State for External Affairs

DESPATCH 552 Prague, August 4, 1952

CONFIDENTIAL

VERIFICATION OF VALUES FOR DUTY PURPOSES

Reference: My letter No. 513 of July 8, 1952.

I referred to our note about verification of values when I called at the Ministry of Foreign Affairs on July 8 and the Head of Protocol said that although he had not read the note he would look into the matter and try to get an answer speedily. I told him that we were anxious to have a decision as soon as possible and that if the officials concerned wanted to ask any questions about our procedures I would do my best to answer them or would get the information from you.

2. This morning I saw Mr. Sedivy and he told me that the foreign trade officials have completed their consideration of our proposal and that the answer to our note would be sent through the Ministry of Foreign Affairs within the next week.

K.B. WILLIAMSON

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976. DEA/7670-40

Le secrétaire d'État aux Affaires extérieures
à la légation en Tchécoslovaquie

Secretary of State for External Affairs
to Legation in Czechoslovakia

TELEGRAM 101 Ottawa, October 6, 1952

CONFIDENTIAL

VERIFICATION OF VALUE FOR DUTY PURPOSES

Reference: Your despatch No. 552 of August 4, 1952.

In view of three-month interval which has now elapsed since presentation of your note, and assurances contained in your letter under reference, please ask Czechoslovak authorities to expedite reply.

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977. DEA/7670-40

Le chargé d'affaires en Tchécoslovaquie
au sous-secrétaire d'État aux Affaires extérieures

Chargé d'Affaires in Czechoslovakia
to Under-Secretary of State for External Affairs

LETTER No. 641 Prague, October 8, 1952

CONFIDENTIAL

VERIFICATION OF VALUES FOR DUTY PURPOSES

Reference: Our telegram No. 97 of October 7, 1952.†

I am enclosing copies of the Czechoslovak Notes of August 20th† and September 30th† concerning verification of values for duty purposes. These were in reply to our Note of July 4,† of which we sent you a copy with our letter No. 513 of July 8, 1952.†

2. The Czechoslovak Government has in effect rejected our request that Canadian customs officers be permitted to visit the plants in Czechoslovakia where goods are manufactured for export to Canada. Their suggestion that precise questions concerning domestic prices and production costs be submitted to them in writing will no doubt be considered in the light of the considerations mentioned by Mr. Rogers in his despatch No. 418 of May 26. It seems to me very doubtful, however, whether such a procedure would be helpful in estimating the "true and fair market value" of the goods, or would serve any purpose other than that of delaying the application of special invoice treatment.

3. I shall be interested to know whether you wish me to make any further communication to the Czechoslovak authorities about this matter.

J.M. TEAKLES

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978. DEA/7670-40

Le secrétaire d'État aux Affaires extérieures au chargé d'affaires en Tchécoslovaquie

Secretary of State for External Affairs to Chargé d'Affaires in Czechoslovakia

DESPATCH E-411[8] Ottawa, October 22, 1952

CONFIDENTIAL

VERIFICATION OF VALUES FOR DUTY PURPOSES

Reference: Your letter No. 641 of October 8, 1952.

On the basis of the reply of the Czech Government to your representations, it would seem to be clear that Canadian customs officers will not be permitted to enter Czechoslovakia for the purpose of verifying values for duty in respect of exports to Canada.

In the circumstances, we are proposing to proceed with the implementation of the Cabinet directive of April 22, 1952. Accordingly, we would ask you to notify the Czech Government that, in the case of goods imported from Czechoslovakia whose invoice values appear to be too low to meet the requirements of Section 35 of the Customs Act, Collectors of Customs and Excise are being instructed that the goods in question are to be appraised under Section 38 of the Customs Act at an advance over invoice values to be determined by the Collectors.

We should like you to let us know by telegram the date on which you notify the Czech Government along the lines set out in the preceding paragraph. It is our intention here to issue the relevant instructions to Collectors of Customs as soon as the Czech Government has been formally advised of the steps we intend to take in respect of Czech exports to Canada.

A.E. RITCHIE
for Secretary of State
for External Affairs

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[8] La dépêche porte la mention :/Noted in despatch:
Similar despatch sent to Poland.

979. DEA/7670-40

Le chargé d'affaires en Tchécoslovaquie
au secrétaire d'État aux Affaires extérieures

Chargé d'Affaires in Czechoslovakia
to Secretary of State for External Affairs

TELEGRAM 105 Prague, November 3, 1952

CONFIDENTIAL. IMPORTANT.

Reference: Your telegram No. 110 of October 28.†

Czechoslovak Government notified today of instructions being issued to customs collector.

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980. DEA/7670-40

Le sous-ministre du Revenu national (Douanes et Accise)
au sous-secrétaire d'État aux Affaires extérieures

Deputy Minister of National Revenue (Customs and Excise),
to Under-Secretary of State for External Affairs

Ottawa, November 20, 1952

Dear Sir,

Yesterday afternoon I was interviewed by Mr. Zdenek Roskot, Chargé d'Affaires of the Czechoslovakian Legation, and Mr. Josef Velek, their Commercial Attaché from Montreal. They were concerned about the recent action that has been taken to appraise importations from their country at advances up to 50% over the invoice value.

I confirmed to them the information which they had already secured from the bulletin of the Canadian Importers Association as to the commodities affected and, in addition, they were advised that increased appraisal would not be applied to goods in transit on or before November 6th.

It was also emphasized to them that our action was non-discriminatory because during recent months we have increased invoice values against companies in the U.S.A., Great Britain, Italy and West Germany. They raised the question of the propriety of taking such action, having regard to GATT but their attention was drawn to Article 20, Paragraph 1(d), which provides for Customs enforcement.

Velek expressed surprise that this action had been taken because, in his view, his country had not really refused to permit our officers to carry on their investigations. He felt that he personally had been meeting any reasonable requests for information and that this should be sufficient. He also felt that the action was precipitant. In reply we reminded him that as far back as last December, when a Czech trade mission visited Ottawa, we raised this question about the admission of our investigating officers into Czechoslovakia. I also drew his attention to the remarks of my Minister in the House of Commons in May of this year, and the fact that through your Department we have been in communication with his Government about the subject since June.

It seemed clear to us from the Czech Government acknowledgment of our first note that they understood the precise nature of our request and the alternative which they suggested of written answers to written requests could only be regarded as a virtual refusal.

Roskot endeavoured to suggest that there were political implications in our actions but I strongly denied this. It is quite true that some of the newspaper reports have a distinctly political tinge but I stressed to him that in a country like ours, where we have a free press, newspaper men were able to write in any vein they liked about such matters and that their views or statements did not, of course, always coincide either with the facts or with the policy of the Government.

Roskot also made a somewhat cryptic reference to the Canadian loan to Czechoslovakia. The essence of his remark was that they would have difficulty in keeping up the payments if they were unable to trade with us. It obviously was intended to be a sort of veiled threat but I of course told him that as far as we were concerned there could be no connection between the two matters.

In closing, they asked me as to the future and I felt obliged to tell them that we might have to add other commodities to the list; that as far as I was concerned I could see no prospect of any change in our position as long as we were not able to ascertain at first hand in Czechoslovakia the information which we required to carry out the provisions of the Customs Act.

They left me to call upon the Deputy Minister of Trade and Commerce.

Yours faithfully,

DAVID SIM

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981. DEA/7670-40

Le chargé d'affaires en Tchécoslovaquie
au secrétaire d'État aux Affaires extérieures

Chargé d'Affaires in Czechoslovakia
to Secretary of State for External Affairs

TELEGRAM 111 Prague, November 27, 1952

RESTRICTED. IMPORTANT.

VERIFICATION OF VALUE FOR DUTY PURPOSES

1. Czechoslovak Government, in note handed me this morning, describes decision to impose arbitrary valuations as violation of GATT. In verbal

comment measures were described as unjustified and our "pretexts" ridiculous. No mention of financial agreement of 1947 was made directly or indirectly. I replied briefly along the line of your previous instructions.

2. Note begins by saying that Czechoslovak Government met the Canadian Government with understanding in this question. Offer to reply to individual questions was fully in accordance with GATT. Canadian Government not only took no note of this offer but adopted one sided discriminatory measures differing from restrictions. Article 20 of GATT gives no right to send customs experts. Moreover it declares inadmissibility of any measures applied in the manner constituting means of disguising restrictions of trade or arbitrary or unjustifiable discrimination. Canadians in measures introduced in unusual hurry and without affording adequate opportunity for consultation in accordance with Article could not constitute disguising restriction on trade between two countries and on international trade with general insight. Canadian Government is held fully responsible for all consequences on further developments of Czechoslovak-Canadian economic relations and is requested to revoke measures immediately.

3. Text follows by bag.†[9]

SECTION B

POLOGNE/POLAND

SUBDIVISION I/SUB-SECTION I

TRÉSORS ARTISTIQUES

ART TREASURES

982. DEA/837-40

Note de la Direction européenne pour le sous-secrétaire d'État aux Affaires extérieures

Memorandum from European Division to Under-Secretary of State for External Affairs

CONFIDENTIAL Ottawa, January 8, 1952

POLISH ART TREASURES

The treasures remain divided in three lots and held as they have been for some time past. One lot is in the vaults of the Bank of Montreal in Ottawa, a second lot is held in church buildings in Killaloe, Ontario, and a third lot is in the care of Mr. Duplessis.

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[9] Note marginale :/Marginal note:
National Revenue wish to see this before preparing reply.

2. There have been no new developments in the problem and the deadlock goes on. The Poles show no inclination to take the matter to our courts and I believe we are still reluctant to risk unpleasantness with Mr. Duplessis, or to urge the Bank to obtain a court order confirming the title of the present Polish State to the treasures, or to ask the R.C.M.P. to break into the church premises in Killaloe, although the situation continues to be an embarrassment to the Government and to provide Poland with a useful weapon for anti-Canadian propaganda. (It must also be recognized that if Poland retrieved the treasures now the result would probably be a great, and fairly successful, internal propaganda effort to link the present regime with Poland's heroic past and put Bierut in the direct line of descent from Casimir the Great, à la Stalin and Peter the Great.)

3. I am bringing this matter to your attention now for the first time since last April in case you feel that some action should now be taken.[10] I was myself reminded of the problem on December 29th when the Polish Chargé d'Affaires, Mr. Markowski, came to see Mr. Campbell[11] and me in connection with the Polish archives from Tokyo. In the course of our conversation, he mentioned that he had had no reply to a Note submitted a year ago on the subject of the art treasures. This Note, dated December 19th, 1950, revealed that the Poles had found out about the cache at Killaloe, referred to previous Notes on the subject and asked that the objects at Killaloe be turned over to the Polish Legation. As we have nothing new to say to the Poles on this subject, there would seem to be no point in replying to their Note now, especially as they have sent no reminders.

J.B.C. W[ATKINS]

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983. DEA/837-40

Note de la II^e^ Direction de liaison avec la Défense pour la Direction européenne

Memorandum from Defence Liaison (2) Division to European Division

SECRET Ottawa, March 3, 1952

POLISH ART TREASURES

If I raise the thorny subject of the art treasures again it is not for sheer love of a complicated and involved question. I think, however, that this subject should not lie dormant without any action being taken. I would take issue with your memorandum to the Under-Secretary of January 8, 1952, recommending that nothing more be done at present.

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[10] Note marginale :/marginal note:
Mr. [C.S.A.] Ritchie — I don't think there is any course that we can usefully advise.
A.D.P. H[eeney]

[11] Ross Campbell de la Direction européenne.
Ross Campbell, European Division.

2. You may remember that in September 1949, the question of assisting the Polish Government in regaining the treasures was referred to the Prime Minister. The Minister recommended that a letter be sent to Mr. Duplessis suggesting discussions between officials on the subject. In reply, the Prime Minister raised two questions:

1) Is there any unfulfilled legal or moral obligation upon the Canadian Government with respect to the treasures?

2) What political advantage would there be to Canada in doing anything to give the treasures back to the Poles?

3. The legal point was answered in a memorandum of November 22 entitled "Canada's position in international law with respect to the Polish Art Collection." This legal opinion found that there is an unfulfilled obligation in international law resting upon Canada with respect to the part of the collection in the Quebec Provincial Museum. This obligation arises because this part of the collection was impounded by an organ of the Canadian state, namely, Mr. Duplessis. The Canadian Government is responsible internationally for acts of provincial governments. The legal opinion said that there is no unfulfilled obligation in international law with respect to the two other parts of the collection, that is to say — the trunks held by the Bank of Montreal and those allegedly held by the Church at Wilno.

4. The fact that we are legally in the wrong has, of course, a lot to do with the political aspect. The Poles have criticized us at United Nations meetings and by circulating well illustrated pamphlets on the subject. These attacks, because they have good basis in international law, are quite embarrassing. If our legal position were sound we should not be too thin-skinned about a controversy of this nature with an Iron Curtain country. As our legal position is bad I don't think we should let the matter rest.

5. There is a further possible advantage in taking steps to restore the treasures to the Poles. We have a considerable amount of claims outstanding against the Polish Government. It is possible that the question of the treasures and the question of our claims might be brought together in some sort of negotiation with the Poles. This admittedly involves a risk. It is possible that if we were to link the two subjects that the Poles might indignantly refuse that type of negotiation and renew their propaganda — this time accusing us of obvious bad faith because we had indicated our willingness to negotiate about the treasures. However, if there is any prospect of making headway with our claims it is worth considering linking the two questions.

6. I submit, therefore, that we should take further steps to restore the treasures to the Poles. Incidentally, this is the opinion of nearly all the persons who have commented on the subject on the file. It is studded with references about the desirability of pressing on with this or that course. These references chiefly occur around U.N. Assembly time when consciences are being irritated by the prospect of a further public discussion.

7. The treasures are deposited in part at the Quebec Provincial Museum, and in part at the Bank of Montreal, Ottawa office, and in part (allegedly) in the

Church premises at Wilno. We must, therefore, start either with the Bank, with Mr. Duplessis, or with the Church. In early 1951, when this subject was being passed around, the consensus was that it was easiest to start with the Bank. The Bank (as is the way with banks) was not emotionally involved and, in fact, was quite anxious to get rid of the two trunks if it could do so in a decent manner. Accordingly, after an initial approach by Mr. Heeney, Mr. Erichsen-Brown[12] had a long discussion with the Bank's lawyers in March 1951. The upshot of this discussion was that there were two ways for the Bank to give the treasures back to the Poles. The first way was without any court procedure — simply to find that the Polish Government is the proper owner and hand over the two trunks. The Bank would probably be willing to do this with an appropriate letter from us, if we would agree to indemnify them in case of an adverse judgment in an action brought by the anti-Government Polish Custodian in Canada. The Government could not undertake to indemnify the bank. Short, therefore, of a special intervention with the authorities of the Bank by some senior officials, this road seems closed.

8. The second possibility is a court action. If the Polish government will not be represented in the action, there is a chance that the court might award the custody of the trunks to the anti-Government Polish Custodian, who would probably be the only claimant to appear, or the court might declare itself unable to make a ruling as to the ownership of the treasures. The first result would be very unfortunate because, of course, if the court awarded the treasures to the anti-Government Custodian, this would give a better propaganda stick to the Poles to beat us with than they have had up to now. If the Polish Government refuses to be represented in court, therefore, there is a considerable risk that a court action might make things worse and no guarantee that it would result in the return of the treasures. The Polish Government has, up to now, refused to take part in any legal action so that this way also seems closed.

9. If, therefore, we cannot get anywhere with the Bank, there remains the Church and Mr. Duplessis. It seems reasonable that of these we should approach Mr. Duplessis. It is his action after all that has put us in the wrong internationally. He has the bulk of the treasures. If any arrangement can be made whereby he will surrender his treasures to the Polish authorities, it is likely that the other holders would follow suit without too much difficulty.

10. I, therefore, suggest that another approach to Mr. Duplessis be considered.[13] I suggest that, in the first place, we should give some indication of our view as to the Canadian obligation under international law. We might then refer to the Canadian claims against Poland and the possibility of linking these claims with the restoration of the treasures. No doubt, the first approach to Mr. Duplessis should be in general terms and a meeting of officials should be suggested. It is possible that this approach to Mr. Duplessis would be fruitless.

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[12] J.P. Erichsen-Brown, de la Direction juridique.
J.P. Erichsen-Brown, Legal Division.

[13] Note marginale :/Marginal note:
This would not move Duplessis in the least.

On the other hand, he may no longer feel so keenly about the treasures as he did when he first accepted them for custody in the Provincial Museum. He may find that the responsibility of caring for them seems worrisome and there might even be other factors such as the use of the space where the treasures are stored. In any event, we cannot tell what his reaction would be unless we put the question to him.[14]

11. When the matter was last raised with the Prime Minister in 1949, he suggested that any correspondence with Mr. Duplessis be conducted by our Minister rather than by him. He would, of course, want to be informed before any approach was made to Mr. Duplessis.

12. One remaining difficult aspect of the problem is the question of claims for certain of the treasures by Roman Catholic orders or institutions in Poland and by individual Polish persons. The legal position on these claims seems clear. The treasures were brought here by the Polish state and, therefore, should be restored to the Polish state. The question of claims by persons and institutions within Poland for certain of the treasures are really matters to be decided between them and the Polish state. The amount of the treasures about which there are disputes is apparently quite small. It might be possible to arrange that the bulk of the treasures should be restored to the Polish state whereas those articles under dispute might be the subject of some form of arbitration.[15] This might make a settlement with Mr. Duplessis easier.

13. If you agree with the general lines of the argument, I would suggest that you should take up with Legal Division the question of a further approach to Mr. Duplessis.

T.LE M. CARTER

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984. DEA/837-40

Note de la Direction européenne pour la Direction juridique

Memorandum from European Division to Legal Division

SECRET Ottawa, March 5, 1952

POLISH ART COLLECTION

Mr. T. Carter, who will soon assume charge of our mission in Warsaw, is concerned about our present policy towards the Polish art collection and has outlined his views in the attached memorandum of March 3rd.[16] He thinks we should not let the matter lie dormant any longer but should take steps to restore the collection to the present Polish Government. He has supported his plea with some good arguments.

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[14] Note marginale :/Marginal note:
yes. He has already made his position quite clear publicly.

[15] Notes marginales :/Marginal notes:
yes.

[16] Le document précédent./The preceding document.

2. I should be grateful if you would give us your opinion on the general question of the desirability of restoring the collection and on the various steps suggested by Mr. Carter.

J.B.C. W[ATKINS]

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985. DEA/837-40

Note de la Direction juridique pour la Direction européenne

Memorandum from Legal Division to European Division

SECRET Ottawa, March 26, 1952

POLISH ART TREASURES

I still agree with the legal opinion given in my memorandum of November 22, 1949, that there is an unfulfilled obligation in international law resting upon Canada with respect to the part of the collection which is held in custody by the Quebec Government.

2. From the point of international law, therefore, it would be desirable if this obligation could be fulfilled. Still, there are domestic political considerations to be taken into account. It might be desirable at this time to send a memorandum to our Under-Secretary suggesting that perhaps consideration be given to making a further approach to the Quebec Government.

K.J. BURBRIDGE

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986. DEA/837-40

Note du sous-secrétaire d'État suppléant aux Affaires extérieures pour la Direction européenne

Memorandum from Deputy Under-Secretary of State for External Affairs to European Division

CONFIDENTIAL Ottawa, April 25, 1952

POLISH ART COLLECTION

The Minister said to me this morning that he had spoken to Mr. Heeney some weeks ago asking Mr. Heeney to take steps to find out whether the Polish art collection was being properly looked after by those in whose custody it is, i.e., the Province of Quebec and the Bank of Montreal. The Minister wishes to make certain that the record makes it clear that the Canadian Government has brought to the attention of the custodians their responsibility to ensure that the collection does not deteriorate and that this responsibility exists regardless of the ultimate destination of the collection or its ownership.

2. I said that my recollection was that we had made informal enquiries through Mr. Paul Beaulieu[17] some time ago but that we were not satisfied with what we had learned as a result of these enquiries.

3. I also took advantage of the opportunity to remind the Minister that the Legal Division had now given us an opinion that the Canadian Government was responsible under international law for the Polish art collection in the hands of the Provincial Government of Quebec. My understanding of the opinion was that it was based on the fact that once the collection had been seized by the Crown in the right of Quebec, the Crown in the right of Canada was vested with the responsibility in international law. The Minister did not appear to have had this matter brought to his attention before.

4. Could you look into this matter and prepare for the Minister's consideration a communication to the Premier of Quebec in which it is made clear to the Premier that he is responsible for ensuring that the Polish art collection is properly looked after. A similar letter should be written to the Bank of Montreal.

E. R[EID]

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987. DEA/837-40

Le sous-secrétaire d'État adjoint aux Affaires extérieures au sous-secrétaire d'État suppléant aux Affaires extérieures[18]

Assistant Under-Secretary of State for External Affairs to Deputy Under-Secretary of State for External Affairs[18]

CONFIDENTIAL Ottawa, April 30, 1952

POLISH ART COLLECTION

I have delayed sending the attached memorandum to the European Division as we were re-considering the most effective way of approaching Mr. Duplessis over the question of the prevention of deterioration of the objects in this collection.

2. M. Léger and M. Beaulieu, with whom I have talked about this question, are both strongly of the view that a letter from the Minister to Mr. Duplessis would not achieve the object intended and would act on M. Duplessis as an irritant. If our only aim is to keep the record straight, there might be something to be said for sending such a letter, but if we hope to achieve anything, this is probably not the best way to go about it. It may indeed be questionable whether it would be appropriate for the Secretary of State for External Affairs to write to a Provincial Prime Minister on a question of this

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[17] Paul Beaulieu, de la 1ère Direction de liaison avec la Défense.
Paul Beaulieu, Defence Liaison (1) Division.

[18] Notre copie du document porte la mention manuscrite suivante :
The following was written on this copy of the document:
The Minister. E. R[eid]
La note sous référence dans le 1er paragraphe est le document 986.
The memorandum referred to in the first paragraph is document 986.

kind or whether the approach should not come either from M. St-Laurent or from the Minister of Justice. I understand that M. St-Laurent is in fairly frequent personal contact with M. Duplessis[19] and he might feel inclined to take some convenient opportunity to bring this matter up with the Premier of Quebec. Alternatively, Mr. Garson, who is I believe on fairly close personal terms with M. Duplessis, might raise the matter informally.

3. As you know, M. Beaulieu had an interview with M. Duplessis some time ago on the general subject of the Polish art collection. At that time, he also had a word with the officials of the Quebec Museum charged with responsibility for the collection and he derived the impression that they were taking their responsibilities for the preservation of the Polish treasures seriously. M. Duplessis himself has, I think, made a public statement to the effect that good care is being taken of the collection.[20]

4. A further question arises over the respective responsibilities in international law of the Canadian Government and the Quebec Government. It seems desirable that the Legal Division should consult with the Department of Justice to ensure that they share their view of these responsibilities. I understand that M. Duplessis has been advised by his legal advisers that his Government is vested with the responsibility. I think also that he had made a recent public statement to the effect that he would not return the Polish treasures unless there was a court judgement directing him to do so (I am not sure of the exact wording of his statement). Also I do not think that the position is quite so simple as that "the collection had been seized by the Crown in the right of Quebec." I believe that M. Duplessis may have acquired the collection on some legal grounds and not by out and out "seizure". My suggestions, therefore, would be:

(a) that either the Prime Minister or Mr. Garson rather than our own Minister should approach M. Duplessis to remind him of the obligation to preserve the collection in good condition;[21] and

(b) that the Legal Division should look carefully into the various legal aspects of this matter before any further approach is made to M. Duplessis.[22]

C. R.[ITCHIE]

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[19] Note marginale :/Marginal note:
? [L.B. Pearson]

[20] Note marginale :/Marginal note:
yes. [L.B. Pearson]

[21] Note marginale :/Marginal note:
Decision on this can be postponed till action is taken under (b). [L.B. Pearson]

[22] Note marginale :/Marginal note:
yes. [L.B. Pearson]

988. DEA/837-40

Note du sous-secrétaire d'État suppléant aux Affaires extérieures pour le sous-secrétaire d'État adjoint aux Affaires extérieures

Memorandum from Deputy Under-Secretary of State for External Affairs to Assistant Under-Secretary of State for External Affairs

CONFIDENTIAL Ottawa, May 5, 1952

POLISH ART COLLECTION

I return to you your memorandum of April 30. The Minister agrees that it would be better for either the Prime Minister or Mr. Garson to approach the Premier of Quebec. He thinks, however, that this should be postponed until we have the report from the Legal Division which you mentioned at the end of your memorandum.

2. Even [though?] he agrees that he should not approach the Premier of Quebec, he asks whether he should not immediately approach the other holders of parts of the Polish art collection. I understand that the Bank of Montreal is still holding one part and that there is another holder as well.[23]

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989. DEA/837-40

Le chargé d'affaires en Pologne au secrétaire d'État aux Affaires extérieures

Chargé d'Affaires in Poland to Secretary of State for External Affairs

DESPATCH 386 Warsaw, August 4, 1952

CONFIDENTIAL

POLISH ART TREASURES

Reference: My letter No. 350 of July 31, 1952.†

It is now four months since the Polish authorities sent us their most recent note on the art treasures. I should be glad to know if you have taken any action about the treasures or are planning any action.

2. I set out some views on this question before leaving Ottawa in a memorandum of February 27, and I have nothing much to add now. The Legal Division in a memorandum of November 1949 gave the opinion that the

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[23] Notes marginales :/Marginal notes:

Mr. Burbridge — W[oul]d you pl[ea]se ring me.

May 10/52 — The Legal Division, some years ago, gave a comprehensive and definite legal opinion. There is nothing in the attached memo which is not covered by that opinion except that I think a *very strong* legal argument can be made to show that title to the collection [is] vested in the Can[adian] Gov[ernmen]t by virtue of the Custodian's legislation. I gave my views to Mr. Heeney (on file) in this connection. It is now probably too late to pursue this angle. It might also prove politically embarrassing. K.J. B[urbridge]

Canadian Government is responsible internationally for the action of the Quebec Government in depositing the bulk of the treasures in the Quebec Provincial Museum. This action supersedes, with respect to this part of the treasures, the exchange of letters between Messrs. Lanctot and Podoski under which the treasures first entered Canada. It appears that we have an obligation to return to Poland this portion of the treasures. In my memorandum of February 27[24] I accordingly suggested some fresh approach to the Government of Quebec. I have no brilliant ideas about how to make this approach. There is one suggestion, which I believe is on the file in Ottawa, that might be revived. You might suggest to the Quebec authorities that they return to the Polish Government those items about the ownership of which there is no dispute (such as the Wawel tapestries). There could then be further discussions about the remaining items whose ownership is contested.

3. Before leaving Ottawa I suggested that the question of the tapestries might be linked up in negotiations with the question of Canadian claims against Poland for nationalized property. On further reflection I don't think this is a very useful suggestion.

T.LE M. CARTER

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990. DEA/837-40

Extrait d'une lettre de la Direction européenne au chargé d'affaires en Pologne

Extract from Letter from European Division to Chargé d'Affaires in Poland

PERSONAL AND CONFIDENTIAL Ottawa, October 4, 1952

Dear Tom [Carter]:

In the matter of the Polish art collection there is not, I regret to say, any progress to report. This, for the moment, is about all that can be said in reply to para. 1 of your despatch No. 386 of August 4.

The problem has not been shelved — this would be impossible — but in the absence of agreement on whether and how the Quebec Government should be approached, and in the absence of pressure from above to take any steps just now, it looks as though we cannot expect any action for the present.

Ralph Reynolds will be handling the subject until he leaves for Prague at the beginning of next year. I shall also maintain an interest in it until I leave in the later half of November for a trip on the Continent before going to the Imperial Defence College in January.

. . .

Yours ever,

JACK [MCCORDICK]

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[24] Cette date a été changée pour celle du 3 mars ; document 983.
This date had been changed to March 3; Document 983.

991. DEA/837-40

Extrait d'une lettre du chargé d'affaires en Pologne à la Direction européenne

Extract from Letter from Chargé d'Affaires in Poland to European Division

Warsaw, October 18, 1952

Dear Jack [McCordick]:

Thanks for your letter of October 4th. I trust that sooner or later somebody will be found who is valiant enough and perhaps politically acceptable enough to go and raise this unmentionable subject with Mr. Duplessis. In the meantime, there has been no further developments here but I would not be surprised if the Poles raised the question at the General Assembly.

. . .

Yours,

TOM [CARTER]

SUBDIVISION II/SUB-SECTION II

ÉVALUATION EN DOUANE
CUSTOMS VALUATION

992. DEA/9533-40

Le chargé d'affaires en Pologne au secrétaire d'État aux Affaires extérieures

Chargé d'Affaires in Poland to Secretary of State for External Affairs

DESPATCH 240 Warsaw, May 27, 1952

CONFIDENTIAL

VERIFICATION OF VALUES FOR DUTY PURPOSES

Reference: Your Despatch No. E-122 of May 13, 1952.[25]

I should like to discuss some points arising from your despatch. In the first place, I think it unlikely that the Poles would permit a Canadian Customs official to come here and examine the domestic sales records and cost records of one or more Polish manufacturers. They might give the authority if they are sufficiently short of dollars. They might even prepare a false set of books for our benefit. The Customs official would, in any case, have considerable difficulty in understanding the costing and pricing system of a Communist State, and the difference between the official and real value of the zloty. Our understanding that the information obtained would be "confidential" would be cold comfort to the Poles. I presume that you do not mean that it should be withheld from interested agencies of the Canadian Government, because this form of scruple in dealing with a Communist State would be somewhat out of place. For these reasons I suggest that the procedures set out in your despatch may not be suitable for Poland, however much they apply to other countries.

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[25] Voir le document 971./See Document 971.

2. If we send a note along the lines of your despatch to the Poles I imagine that they would think it an opening move in a programme of restriction of Polish exports to Canada. They might think that this action is linked to other aspects of Canadian-Polish relations and perhaps may consider it a rebuttal to the recent renewal of the art treasures campaign. I doubt if they would regard our action as an administrative step by the Customs authorities.

3. It may be that the information required could be obtained from western countries which conduct considerable trade with Poland such as the United Kingdom and Sweden. The authorities of these countries might have better data than that which a Canadian Customs officer could obtain by investigation here.

4. I have considerable doubts, therefore, whether the presentation of a note to the Poles along the lines of your despatch would have the results you wish and I think that it might be misinterpreted. I am therefore taking no action until you have a chance to consider the points raised in this despatch.

T. LE M. CARTER

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993. DEA/9533-40

Extrait de la dépêche du secrétaire d'État aux Affaires extérieures au chargé d'affaires en Pologne

Extract from Despatch from Secretary of State for External Affairs to Chargé d'Affaires in Poland

DESPATCH E-162 Ottawa, June 20, 1952

CONFIDENTIAL

VERIFICATION OF VALUES FOR DUTY PURPOSES

Reference: Your Despatch No. 240 of May 27.

We are sorry that our original instructions to you in this matter did not entirely make clear the basis on which we were asking you to make formal representations to the Government of Poland. The present despatch is, therefore, intended to provide you with a somewhat more detailed statement of the provisions of the customs law which gave rise to our instructions and of the procedures we propose to adopt in the event that our representations to Czechoslovakia and Poland prove to be unavailing. Before dealing with some of the points raised in your despatch under reference, however, I should like to emphasize that the instructions we transmitted to you on May 13 were based on a directive agreed upon by Ministers on May 22,[26] and that it would therefore seem desirable for you to proceed with your formal approach to the Government of Poland without further delay.

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[26] La date exacte est le 22 avril./The correct date is April 22.

. . .

9. As you suggest, information secured from Western countries carrying on a considerable volume of trade with Poland might well be useful to our customs authorities for purposes of appraisal. However, this information could not be used before the exporting country has refused permission for the collection of first-hand value and cost data.

10. With specific reference to the considerations raised in paragraph 2 of your despatch, it may well be true that the Polish Government will misinterpret our representations and regard them as a circuitous retort to their latest note on the art collection controversy rather than as an administrative step taken in behalf of our customs authorities. Nevertheless, you will agree that this possibility can scarcely be taken, especially in the context of the nature of our relations with Poland, as an adequate reason for precluding us from taking any action which may be required to bring the invoice values of imports from Poland into conformity with the criteria set up in our customs law.[27]

. . .

A.E. Ritchie
for Secretary of State
for External Affairs

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994. DEA/9533-40

Le secrétaire d'État aux Affaires extérieures
au chargé d'affaires en Pologne

Secretary of State for External Affairs
to Chargé d'Affaires in Poland

Despatch E-225 Ottawa, August 13, 1952

Confidential

VERIFICATION OF VALUES FOR DUTY PURPOSES

Reference: Our Despatch No. E-162, June 20th, and your Note No. 66 [86?], of July 4th, to the Polish Ministry of Foreign Affairs.†

As over a month has now passed since the delivery of your note to the Polish Ministry of Foreign Affairs and as this question is one of urgency from our point of view, it would be appreciated if you would remind the Polish authorities that their reply is still outstanding and request action as soon as possible.

A.E. Ritchie
for Secretary of State
for External Affairs

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[27] Voir aussi le document 973./See also Document 973.

995. DEA/9533-40

Le chargé d'affaires en Pologne
au secrétaire d'État aux Affaires extérieures

Chargé d'Affaires in Poland
to Secretary of State for External Affaires

DESPATCH 460 Warsaw, September 16, 1952

CONFIDENTIAL

VERIFICATION OF VALUES FOR DUTY PURPOSES

Reference: Your despatch No. E.225 of August 13, 1952,† and previous correspondence.

On August 28 we sent a further note to the Ministry on the question of verification of values for duty purposes. This afternoon on the invitation of the Ministry of Foreign Affairs I discussed this matter with Mr. Lewandowski, a Senior Counsellor in the North American Section.

2. Mr. Lewandowski mentioned the recent exchange of notes between the Department and the Polish Legation in Ottawa on a specific case dealing with the importation of a quantity of window glass into Canada. He said that the Legation had furnished the Department with the information it had required. The Polish authorities, he went on to say, would be willing at any time to provide in this way complete information on the values of specific shipments of goods imported into Canada from Poland.

3. Mr. Lewandowski observed that the amount of annual Polish exports to Canada was not very large. Mainly such exports consisted of small quantities of articles which were specially produced to meet the individual requirements of Canadian importers. In the Polish view, therefore, it was thought that the provision of information on values in any specific cases might most satisfactorily meet the requirements of the Canadian authorities and make it unnecessary for a Canadian Customs Officer to come to Poland for this purpose.

4. I pointed out that, regardless of the amounts involved, it was a matter for the Canadian Customs authorities of adhering to administrative principle and practice in implementing Canadian law. I think that the Canadian position in this respect, judging from Mr. Lewandowski's comments, is clearly understood by the Ministry of Foreign Affairs. It was made equally plain, however, that the solution outlined above indicates the maximum amount of cooperation which the Polish authorities are prepared to extend to us in this matter.

A.F. HART

996. DEA/9533-40

Le secrétaire d'État aux Affaires extérieures
au chargé d'affaires en Pologne

Secretary of State for External Affairs
to Chargé d'Affaires in Poland

DESPATCH E-300[28] Ottawa, October 22, 1952

CONFIDENTIAL

VERIFICATION OF VALUES FOR DUTY PURPOSES

Reference: Your despatch No. 460 of Sept. 16, 1952.

On the basis of the reply of the Polish Government to your representations, it would seem to be clear that Canadian customs officers will not be permitted to enter Poland for the purpose of verifying values for duty in respect of exports to Canada.

In the circumstances, we are proposing to proceed with the implementation of the Cabinet directive of April 22, 1952. Accordingly, we would ask you to notify the Polish Government that, in the case of goods imported from Poland whose invoice values appear to be too low to meet the requirements of Section 35 of the Customs Act, Collectors of Customs and Excise are being instructed that the goods in question are to be appraised under Section 38 of the Customs Act at an advance over invoice values to be determined by the Collectors.

We should like you to let us know by telegram the date on which you notify the Polish Government along the lines set out in the preceding paragraph. It is our intention here to issue the relevant instructions to Collectors of Customs as soon as the Polish Government has been formally advised of the steps we intend to take in respect of Polish exports to Canada.

A.E. RITCHIE
for Secretary of State
for External Affairs

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997. DEA/9533-40

Le secrétaire d'État aux Affaires extérieures
au chargé d'affaires en Pologne

Secretary of State for External Affairs
to Chargé d'Affaires in Poland

TELEGRAM 57 Ottawa, October 28, 1952

CONFIDENTIAL

VERIFICATION OF VALUES FOR DUTY PURPOSES

Reference: My despatch No. E-300 of October 22.

If at all possible we should like to have telegraphic confirmation by November 3 of notification to Polish Government along lines of our despatch under reference.

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[28] La dépêche porte la mention :/Noted in despatch:
Similar despatch sent to Prague.

998. DEA/9533-40

Le chargé d'affaires en Pologne
au secrétaire d'État aux Affaires extérieures

Chargé d'Affaires in Poland
to Secretary of State for External Affairs

TELEGRAM 49 Warsaw, October 30, 1952

UNCLASSIFIED

Reference: Your telegram No. 57 of October 28th.

Verification of value for duty purposes of note sent to Foreign Ministry today.

SECTION C

YOUGOSLAVIE : VENTE DE BLÉ
YUGOSLAVIA: WHEAT SALE

999. DEA/9035-A-40

L'ambassadeur en Yougoslavie
au secrétaire d'État aux Affaires extérieures

Ambassador in Yugoslavia
to Secretary of State for External Affairs

TELEGRAM 104 Belgrade, September 27,1952

SECRET. IMPORTANT.

The Foreign Minister Mr. Kardelj asked me to come to his office this morning and told me that it was now evident that drought this past summer was as severe as that of two years ago and that grain crop will be far below requirement. It will be necessary to import considerable quantity of wheat in addition to quantities already under procurement from Canada and Turkey. In these circumstances he desired to make an urgent request to the Canadian Government for a credit of approximately twelve million dollars sufficient to purchase one hundred and fifty thousand tons of Canadian wheat type Manitoba Five, the credit to be repaid at the end of one year though Yugoslavia would prefer a somewhat longer accommodation if that were practicable and would like again if it were practicable to repay part of the loan in pounds sterling. Alternatively he suggested a banking credit guaranteed by Canadian and Yugoslav Governments or by national bank.

2. I told Mr. Kardelj that while our crop report indicated a good harvest, our government operates in all matters under authority of Parliament and I did not know whether any authority at present exists to grant a credit of the kind he had mentioned. I promised, however, to transmit his request at once and assured him, that in view of emergency, we would endeavour to give his government an early reply.

3. Some general observations. In order to avoid possibility of an approach to Canada for help such as this I have been careful not to make any enquiries from the Government as to the extent of the drought but I am satisfied that it has been exceedingly severe. The United States Agricultural expert considers the country requires not one hundred and fifty thousand tons but at least two hundred thousand tons in addition to the amount already under procurement to avert real distress. The loan if made could doubtless be repaid by arrangements from 78, repeat 78, million dollars being granted to Yugoslavia this fiscal year by the United States under agreement to be signed shortly and should be good business. The consent of the Tripartite Powers would, of course, be necessary before any formal agreement is signed whether the loan would be repaid from the United States slice of the tripartite aid or not. Such consent would, however, be readily forthcoming. I should add if wheat were bought from the United States at support prices under the Whiddon MSA amendment it would cost Yugoslavia about four million dollars more and in any case the money that will be immediately available from the first slice of the United States aid is earmarked for the purchase of coke, cotton and other industrial raw materials essential to keep the factories running. Undoubtedly the value of Yugoslavia to the West, both because of its strategic position and because of its example to other satellites, is immense. They have received and are receiving very much less aid than Turkey, Greece, Italy etc., whose contribution to Western security is less and in my opinion their situation merits sympathetic consideration.

1000. DEA/9035-A-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur en Yougoslavie

Secretary of State for External Affairs
to Ambassador in Yugoslavia

TELEGRAM 112 Ottawa, October 4, 1952

SECRET. IMPORTANT.

WHEAT

Reference: Your telegram No. 104 of September 27.

It is extremely doubtful that Yugoslav request will be met but before discussing it with Ministers I should be grateful for your advice on the degree of urgency of the *delivery* of the wheat. This would have a bearing on possible financing procedures.

2. I should also be glad to have further information on your suggestion that a loan if made could doubtless be repaid from $78 million grant being made by USA to Yugoslavia. According to Craig, Director of Supply, MSA, Washington, this grant will be made under MSA and constitutes part of the funds that will be turned over to Yugoslavia by tripartite agreement to which France and United Kingdom are parties. Under rules and regulations of MSA the use of these funds for the purchase off-shore of agricultural products surplus in the United States is impossible. Craig's views seem to be in direct conflict to your belief that consent of the Tripartite Powers would be readily forthcoming. It may be that there is some provision for flexibility in the use of the tripartite aid which is unknown to Craig but it is important that this point be cleared up urgently as it is, of course, closely related to the possibility of a Canadian credit. Ends.

1001. DEA/9035-A-40

L'ambassadeur en Yougoslavie
au secrétaire d'État aux Affaires extérieures

Ambassador in Yugoslavia
to Secretary of State for External Affairs

TELEGRAM 111 Belgrade, October 7, 1952

SECRET

APPLICATION FOR WHEAT CREDIT

Reference: Your telegram No. 112 of October 4.

1. Yugoslav Government has asked for delivery of wheat at Canadian ports by the middle of November. Seeking further information this morning at Ministry it was stressed that wheat stocks on hand or on contract for delivery were not sufficient to last beyond December first. As possible target date for loading at Canadian ports period October 25th to December 1st was mentioned. I explained even if credit were approved by Canadian Government almost at once it would be difficult to commence delivery so soon. In their anxiety to avoid extreme price fluctuations and to arrange distribution to remote famine areas before winter, Yugoslavia may be over-stating the absolute urgency of immediate delivery although it would doubtless be advantageous to them.

2. I got the suggestion of possibility of repayment by arrangements from MSA funds from United States official now absent from Belgrade on inspection trip but checking further with his staff this afternoon feel that this suggestion should be dropped. They point out it would be completely unacceptable politically in the United States even if not specifically prohibited by Act. In any case, repayment from these funds would be a last resort

measure, even if technically possible, as Yugoslavia badly needed these funds for other purposes. They are asking for this credit from Canada.

3. Consent of tripartite powers would be necessary as new agreement shortly to be signed will, I am informed, provide that no new financial obligation will be undertaken by Yugoslavia without prior discussion with these powers. Their consent would, I think, be readily forthcoming because if we do not make credit they themselves will have to pay for any wheat imported, diverting funds from other urgent uses for which they are now (group corrupt).

4. With regard Yugoslav proposal that repayment be wholly or partly in sterling, I have now learned from official British sources that United Kingdom Government could not, repeat not, afford to let Yugoslavia transfer sterling to Canada for this purpose. I have not raised this point with Yugoslavs but understand British Embassy intend making it clear to them at first opportunity.

5. In view of foregoing this application by Yugoslavs will have to stand or fall on economic and political merit of seeing them through present crisis. The opportunity to buy our wheat on credit at a very favourable price in comparison with United States support price or price being asked by European producers considerably brightens their forecast of balance of payments position for current year. Details of this position are contained in my immediately following telegram.† Yugoslav need is great and our harvest is known to be bountiful. In these circumstances, a decision to withhold credit would be keenly felt here.

6. Decyphering of your telegram has proved difficult and in several places we shall have to ask for repetition but in view of the urgency feel I should reply as above at once.

1002. DEA/9035-A-40

Note du sous-secrétaire d'État aux Affaires extérieures pour le premier ministre

Memorandum from Under-Secretary of State for External Affairs to Prime Minister

SECRET Ottawa, October 7, 1952

WHEAT FOR YUGOSLAVIA

It may be that the Yugoslav Ambassador is coming to see you this afternoon with a request for assistance in financing shipments of wheat. We have had a telegram from our Ambassador in Belgrade conveying an urgent appeal from the Yugoslav Foreign Minister for help in meeting the emergency caused by a serious drought this summer. The specific request is for a credit of $12 million for the purchase of about 150,000 tons of Canadian wheat, Manitoba No. 5. According to Mr. Macdonald's report, the Yugoslav Government would be prepared to repay the credit in full in Canadian dollars at the end of one year, although they would prefer a somewhat longer period and would like if possible to repay part of the loan in pounds sterling.

2. The information which we have received from United Kingdom and United States sources, as well as from our Ambassador, confirms the severity of the drought and the genuine need for substantial additional quantities of wheat over and above the amounts now under procurement from Canada and Turkey. A further evidence of the seriousness of the situation is to be found in the recent press report that the Yugoslav Government is prohibiting the import of less essential goods, as a measure to conserve foreign exchange for the purchase of necessary foodstuffs.

3. You will recall that on previous occasions when the question of giving economic assistance to Yugoslavia has been considered in the Cabinet, domestic considerations have weighed against such aid. A small gift of $45,000 worth of salt codfish (which was at the time in surplus supply) was approved by Cabinet in May 1951 but this is the only direct assistance which has been given. A further gift of salt codfish was made indirectly through UNICEF, when 500 tons out of a total of 800 tons contributed to the Children's Fund was allocated by that Agency to Yugoslavia. The past history of this problem, the recent decision of the Cabinet against military mutual aid to Yugoslavia and the recent unfavourable decision on the Pakistan request for a credit to finance wheat,[29] all appear to militate against extending economic aid to Yugoslavia. On the other hand, there are strong political arguments, as emphasized by two relevant NATO resolutions (to which Canada subscribed) for maintaining a strong and independent Yugoslavia, well-disposed towards the West. Apart from the United states, the United Kingdom and France, which are already extending substantial financial assistance to Yugoslavia, no other NATO power is so obviously able to help in supplying the particular commodity needed in the present emergency, as is Canada.

4. Mr. Pearson intends to raise this question in the Cabinet on Thursday. Meanwhile officials are exploring various possible alternative procedures for financing the wheat, in the event that the Government agrees in principle to meet the Yugoslav request.[30]

L.D. W[ILGRESS]

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[29] Voir les documents 662-666./See Documents 662-666.

[30] Notre copie du document porte la mention manuscrite suivante, qui a également été paraphée par L.D. Wilgress :
The following was written on this copy of the document and was initialled also by L.D. Wilgress:

> I told the Ambassador we were aware of the need in his country but that cereals and gold were our currencies for balancing our external payments; that there was among some of our people resentment against his government over religious issues; that for others sentimental reasons why no country outside the Commonwealth could receive better treatment than Asian members of the Commonwealth; that all this complicated the problem but this is now on our agenda for study. St. L[aurent]

1003. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa,] October 9, 1952

. . .

WHEAT FOR YUGOSLAVIA

24. *The Secretary of State for External Affairs* reported an urgent request from the government of Yugoslavia for assistance in financing shipments of wheat to help meet the serious food shortage resulting from a severe drought during the past summer. Yugoslavia wished to secure a credit of $12 million to finance the purchase of about 150,000 tons of Canadian wheat, Manitoba No. 5. They were prepared to undertake repayment of the loan in full in Canadian dollars at the end of one year although they would prefer less strict terms.

It was important to keep Yugoslavia as strong as possible. It had probably the most effective army on the European continent outside the "iron curtain" at the present time. Relations with Greece and Turkey were steadily improving and Yugoslavia was an important factor in maintaining the stability of the Eastern European balance. The short term of the credit distinguished the case from that of Pakistan. The kind of wheat involved was one that Canada could well spare.

An explanatory memorandum had been circulated.

(Minister's memorandum, Oct. 8, 1952, Cab. Doc. 318-52)†

25. *The Minister of Finance* understood that, on the basis suggested, the credit could probably be handled under the Export Credits Insurance Act. In the circumstances it might be desirable to meet the request.

26. *The Minister of Trade and Commerce* said it would be necessary under the Act to have part payment by Yugoslavia or a guarantee. A possibility might be to have Yugoslavia pay 20 percent down with the remainder over one year, if possible, or two years if necessary.

27. *The Prime Minister* felt it essential that any assistance should be under the provisions of existing legislation and not involve special arrangements.

28. *The Cabinet* noted the report of the Secretary of State for External Affairs concerning the request from the government of Yugoslavia for assistance in financing shipments of Canadian wheat and agreed that:

(a) he be authorized to inform the Yugoslav authorities that the government would be prepared to arrange for the purchase of wheat on a short term credit basis if it could be fitted into the provisions of the Export Credits Insurance Act; and,

(b) in discussing arrangements for the credit, it be suggested to the Yugoslav authorities that a down payment of 20 percent be made with the remainder payable at the end of one year; and if that were not possible consideration be given to a down payment of 20 percent with 40 percent payable at the end of one year and the remaining 40 percent at the end of two years.

. . .

1004. DEA/9035-A-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur en Yougoslavie
Secretary of State for External Affairs
to Ambassador in Yugoslavia

TELEGRAM 118 Ottawa, October 10, 1952

SECRET. IMPORTANT.

WHEAT FOR YUGOSLAVIA

Reference: Your telegram No. 111 of October 7.

Following Cabinet consideration of the Yugoslav request an aide memoire was today handed to the Yugoslav Ambassador, reading in part as follows:

"The Canadian Government is agreeable to the proposed quantity of wheat being supplied on a basis which would require from the Yugoslav Government a down payment equivalent to twenty percent of the total amount and payment of the remaining eighty percent at the end of a year, if such terms can be arranged under the Export Credits Insurance Act."

2. The Ambassador raised two questions:

(a) whether any part of the credit could be repaid in sterling, and

(b) whether the terms set forth in the aide memoire represented the final word.

He was informed on (a) that for the reasons mentioned in your telegram under reference repayment in sterling would not be feasible and that the credit would have to be repaid in full in dollars. In answer to (b) he was told that the twenty percent down payment should be considered as mandatory and that while arrangements for the repayment of the credit could be the subject of further discussion it was not possible to say whether the terms could be improved. In any discussions you have with the Yugoslav authorities you should be careful not to encourage them to hope for easier terms of repayment.

3. If this credit can be arranged under the Export Credits Insurance Act it will be the first time that the Government has authorized the use of the Act to finance purchase of staple exports such as wheat.

4. It does not seem necessary for you to take any further action at this stage since the Yugoslav Ambassador will be discussing possible arrangements with the Departments concerned. You may wish, however, to let your United Kingdom, United States and French colleagues know, informally, what we propose to do. We assume the Yugoslav Government will, in due course, formally advise the representatives of the Tripartite Powers.

1005. DEA/9035-A-40

L'ambassadeur en Yougoslavie
au secrétaire d'État aux Affaires extérieures

Ambassador in Yugoslavia
to Secretary of State for External Affairs

TELEGRAM 114 Belgrade, October 15, 1952

SECRET

WHEAT FOR YUGOSLAVIA

Reference: Your telegram No. 118 of October 10th.

Following from McKinney,[31] Begins:

1. In ambassador's absence I called on Crnobrnja, Assistant Foreign Minister, at his request this morning. He expressed his thanks for favourable decision and said he hoped that details could be settled quickly and that deliveries would commence as soon as possible. He admitted that original Yugoslav proposal to pay in sterling was impractical and said while terms of your decision could be regarded as having been accepted in their entirety, his government would have to use utmost caution before incurring a dollar debt for the total amount. Djermanovic has been instructed to place immediate order for 50,000 tons, but meanwhile Yugoslavs are investigating other supply sources, presumably in soft currency countries. He indicated that it was likely that an order for a further 50,000 tons would be placed in Canada in a few days.

2. As I had already received one enquiry from foreign press I asked whether it was intended to make an announcement in Belgrade. He said he thought that Yugoslav public should be informed at appropriate stage and that simultaneous release in both capitals or any other arrangements you propose would be satisfactory from Yugoslav side. Please instruct me as soon as possible as to what publicity, if any, you intend to release. As Yugoslavs will probably release news at some stage, anyway, my own view is that it would be consonant with our general objectives to take whatever steps may be necessary to obtain maximum publicity benefit within Yugoslavia. Ends.

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[31] J.R. McKinney, troisième secrétaire à l'ambassade en Yougoslavie.
J.R. McKinney, Third Secretary, Embassy in Yugoslavia.

1006. DEA/9035-A-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur en Yougoslavie

Secretary of State for External Affairs
to Ambassador in Yugoslavia

TELEGRAM 120 Ottawa, October 18, 1952

CONFIDENTIAL

WHEAT FOR YUGOSLAVIA

Reference: Your telegram No. 114 of October 15.

A firm order has now been placed by the Yugoslav Ambassador for a total of 150,000 tons of No. 5 wheat.

2. The Canadian Wheat Board this morning issued a notice to the trade announcing that this wheat was to be made available to Yugoslavia at the regular price outside the International Wheat Agreement.

3. The Wheat Board notice to the grain houses contained the following shipping schedule *ex* St. Lawrence ports:

"For loading last half October, 1952, 70,000 long tons No. 5 wheat. For loading November 1 to 10, 1952, 20,000 long tons No. 5 wheat. For loading November 11 to 20, 1952, 20,000 long tons No. 5 wheat. For loading November 21 to 27, 1952, 20,000 long tons No. 5 wheat. For loading November 28 to close 1952, 20,000 long tons No. 5 wheat."

Financing arrangements were also included in the Wheat Board notice as follows:

"It is our understanding that the Yugoslav Government will make a down payment of 20 percent with the remaining 80 percent to be paid within one year from that date. Export Credits Insurance will be made available to cover the balance of 80 percent at a premium of one percent on the amount outstanding. The Export Credits Insurance Corporation, Ottawa, would cover 100 percent of the amount outstanding, the insurance not to take effect until after payment of the 20 percent, and in the event of non-payment of the 80 percent balance, the exporter would be paid by the Corporation one month after the original due date of the debt. For the convenience of exporters, a specimen copy of the policy that would be issued is attached."

4. The issuance of the Wheat Board notice to the trade makes the information available to the public and we have no present intention of issuing any official press release. Ends.

CHAPITRE XI/CHAPTER XI

EXTRÊME-ORIENT
FAR EAST

PREMIÈRE PARTIE/PART 1

PACTE DE SÉCURITÉ RÉGIONALE
REGIONAL SECURITY PACT

1007. DEA/50073-40

Note du sous-secrétaire d'État aux Affaires extérieures pour le secrétaire d'État aux Affaires extérieures

Memorandum from Under-Secretary of State for External Affairs to Secretary of State for External Affairs

SECRET Ottawa, March 20, 1952

FAR EASTERN REGIONAL SECURITY PACT

At the present time there is in the Pacific no regional security arrangement comparable to the North Atlantic Treaty. There are, however, three separate security agreements — one between the United States, Australia and New Zealand, another between the United States and the Philippines, and a third between the United States and Japan. The ratification of these three treaties was recommended by the Senate Foreign Relations Committee on February 5, 1952, and together with the Japanese peace treaty they were brought to the floor of the Senate on March 14. It is likely that their ratification will be achieved within the next few weeks without much opposition. There is, in addition, an understanding on security between the United States and the Philippines which is effective.

2. The possibility of an over-all Pacific security treaty analogous to the North Atlantic Treaty has been discussed from time to time since the middle of 1948, but no substantial progress has been made because of difficulties such as: (a) the basic problem of which states should be members; (b) the difficulty of getting the various countries which might participate in a Pacific security arrangement to agree to team up with other potential members; and (c) the lack of a community of interest among potential members.

3. The United States Government is not actively seeking to arrange an over-all Pacific security treaty at the present time. In November of last year Mr. Wrong reported: "I would not wish to suggest that thinking here on the matter of a broad Pacific pact has reached a blue-print stage or has even progressed much further than towards the desirability of such a pact." He emphasized however that there was no opposition to a Pacific pact among United States

officials but merely a desire not to rush the matter. In the first week of March Mr. Raynor, the Director of the Office of British Commonwealth and Northern European Affairs in the State Department, informed our Embassy in confidence that an approach had been made recently to the State Department on the possibility of bringing about an interlocking of the present security pacts in the Pacific, including Indonesia and Thailand. Mr. Raynor indicated that the State Department had given a cool reception to this proposal which, we assume, was made by the Philippines Government.

4. Australia has hitherto been the chief exponent of a comprehensive security treaty, but has shown signs of caution recently. We were informed in December in the strictest confidence that Mr. Casey received instructions from Mr. Menzies not to take the initiative in this matter with the United States Government. Apparently it was the view of the Australian Government that the main objective should be ratification of the tri-partite United States-Australia-New Zealand security agreement, and that it should be left to others to take the initiative towards any broadening of that agreement.

5. At various times in the past the governments of the Republic of Korea, the Philippines, and Nationalist China have also expressed interest in a broad Pacific security treaty.

6. A comprehensive security treaty might have the advantage of clarifying United States commitments in the Far East. It might also provide machinery for co-ordinating and fitting together the various defensive efforts of the potential signatories of the treaty and, by uniting their efforts, achieve greater effect at less cost. It is possible, but not probable, also that such a treaty and the machinery set up under it might have a salutary influence on several of the reactionary regimes in the area.

7. While the advantages of a Pacific security arrangement are prospective, the difficulties are present. The greatest difficulty of all concerns membership. If the treaty were looked upon as a purely anti-communist instrument, the following might be considered for participation: Japan, Formosa, the Philippines, Republic of Korea, Laos, Cambodia, Vietnam, Thailand, Burma, Malaya, Indonesia, India, Pakistan, Australia, New Zealand, the United States, the United Kingdom, France, the Netherlands, and possibly Canada. Several countries on the list, notably Australia, New Zealand and the Philippines, would probably object to entering into partnership with Japan. A number of the Asiatic states, and especially Burma, could not be expected to enter into an alliance including the Nationalist Government of China. Neither India nor Pakistan would wish to be involved at the present time in view of their stated desire to remain neutral in the East-West struggle. The inclusion of the United Kingdom, France and the Netherlands would raise the complicated question of the role of the metropolitan powers. One of the most immediate problems in this respect would be that of Dutch-Indonesian relations. Mr. Dulles himself has pointed out to the Senate Committee that the problem faced by the United States in the negotiation of a Pacific pact centers on the reluctance of some nations in the area to associate themselves with the United States.

8. Another possible arrangement would be to confine membership in the pact to off-shore states. This still involves the difficulty of getting Japan, Australia, New Zealand and the Philippines to work together. It seems likely that the United States would find it difficult to accept a security arrangement of this sort without Japan. The other argument which has been advanced against such an off-shore arrangement is that it would suggest that the free world was prepared to envisage communist expansion on the mainland.

9. A further principal difficulty would arise from the tremendous differences in resources and internal security of the potential members. Burma, Malaya, Vietnam and the Philippines are in a state of civil war or serious disorder. The situation in Korea needs no description. The Thais are notorious opportunists and it is questionable whether any Thai government could be trusted implicitly to stand by its allies if convenience appeared to indicate the value of defection.

10. If a Pacific security treaty is ever negotiated, it will be the result of difficult negotiations or of some tremendous crisis. With the latter eventuality we are not concerned at present, as it is an unpredictable factor. If a serious attempt is made to negotiate a treaty, however, the question arises whether Canada should be a party. In the past you have taken the line that Canada could undertake in the Pacific no commitment in addition to the already heavy commitments it has in Europe and in Korea. This is still a valid approach. A Pacific security organization would involve not only military commitments but, inevitably, economic commitments to bolster the shaky economies of several of the potential members and to meet their argument that they cannot be expected to fight so long as their standard of living is not worth fighting for.

11. I recommend, therefore, on the grounds of Canada's commitments elsewhere, that you continue to deprecate the idea of negotiating a comprehensive Pacific security treaty at the present time. The network of treaties centered on the United States meets the needs of the situation as well as they can be met in present circumstances. In a comprehensive treaty the United States would still have the controlling voice, but this reality would be obscured by elaborate and expensive machinery. I suggest, however, that Canadian policy towards a Pacific security treaty be re-examined periodically in order that no practical opportunity for contributing to the stability of the Pacific area be missed.

12. Your most recent statements in the House on Pacific security arrangements were made on October 22 and 23 last. You made reference to the three security pacts mentioned above and stated: "None of these arrangements . . . constitutes anything like a Pacific pact." You suggested that "any attempt to negotiate that kind of general Pacific agreement at this stage would not strengthen but weaken security in the Pacific." You assured the House that the Canadian Government was vitally interested in security in the Pacific and that it desired to play a proper part in political, economic and diplomatic matters affecting the area. You pointed out that Canada had not been invited to become a member of the Tripartite Security Treaty. You stated further: "The addition of one country may lead to requests from other countries to join that arrangement [Tripartite Security Treaty] and I believe that it is not desired at this time by the three countries concerned. . . . *In the course of time as the*

situation in the Pacific develops and becomes more stabilized, we hope, it may be possible to use this tripartite agreement, as indeed was indicated by the President of the United States, as a basis on which a general Pacific security arrangement might be worked out."[1]

A.D.P. H[EENEY]

2^e PARTIE/PART 2

RECONNAISSANCE DU VIETNAM, DU LAOS ET DU CAMBODGE
RECOGNITION OF VIETNAM, LAOS AND CAMBODIA

1008. PCO

Note du secrétaire d'État par intérim aux Affaires extérieures pour le Cabinet

Memorandum from Acting Secretary of State for External Affairs to Cabinet

SECRET Ottawa, November 1, 1952

RECOGNITION OF VIETNAM, LAOS AND CAMBODIA

When it previously considered this question on February 23, 1950, the Cabinet agreed with the recommendation that "recognition be not extended at this time to the Indochinese states," although some encouragement to the French and to the new states was given in a sympathetic reference to their establishment in a statement to the House. Since then, the French have continued to urge Canada to extend recognition to the three states and the question has been frequently under review in the Department. Indochina continues to be one of the most critical soft spots in Asia which the Communists are probing. The struggle being waged by the French and Indochinese to hold them in check is relentless and costly. In the context of the cold war, particularly of its intensification in Asia, there is now some political urgency for Canada to reconsider its stand on Indochina.

2. The remarks in this memorandum, while primarly applicable to Vietnam, would have similar application to Laos and Cambodia. The territory of Vietnam, except the delta of the Mekong and Red Rivers and a few garrison posts along the lines of communication, is largely under the control of the Vietminh which has the support of a strong anticolonial nationalist movement. Many of the moderate nationalists are still adopting a "wait and see" attitude toward the struggle for control of the country. There is no apparent alternative to the Bao Dai regime at the present time except that of Communist Ho Chi Minh. Moreover, although the French have not given Bao Dai enough power to satisfy the nationalist aspirations of even some of his supporters, they have given him as much as, or perhaps more than, his weak administration can manage.

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[1] Voir les documents 489-497./See Documents 489-497.

3. The United Kingdom, in extending recognition early in 1950, employed the following formula:

> "His Majesty's Government in the United Kingdom recognizes the status of Vietnam as an Associate State within the French Union in accordance with the terms of the Agreement dated March 8, 1949, between President Auriol and His Majesty Bao Dai and recognizes the Government of His Majesty Bao Dai as the Government of that state."

This formula was adopted by a number of other states including Australia, New Zealand and the Union of South Africa, and falls considerably short of full recognition of a sovereign state and government. The United States extended "diplomatic recognition" without qualification or explanation.

4. *Factors for recognition*

The military forecast for 1953 points to a continued stalemate in Indochina. There is reliable evidence that France is facing grave difficulties in supporting major military efforts in both Europe and Indochina and in maintaining its position in North Africa. If present trends continue, they may in the long run weaken the French Union's ability and determination to continue resistance in Indochina. Accordingly, any encouragement which can be given to the Franco-Vietnamese forces to hold on would be desirable.

5. The opinion is widely held in France that it is getting the short end of the stick in its NATO association; while the French alone must bear the responsibility of safeguarding western strategic interests in Indochina, they are being asked to make increased efforts to meet NATO commitments, to approve German rearmament and to work harder toward European unity — under the shadow of severe criticism of their colonial policy on Tunisia and Morocco. Anything Canada could do at this time to improve French morale would no doubt be of assistance in helping them to bear these burdens.

6. Thirty-three governments have thus far recognized the Government of Bao Dai. The list includes the majority of Canada's NATO colleagues, who would no doubt welcome Canadian recognition as moral support for France, and ultimately for NATO. Such a move would contribute towards a manifestation of the political solidarity of the democracies on cold war problems in Asia.

7. In the Council for Technical Co-operation of the Colombo Plan, Canada has in effect had direct dealings with representatives of Vietnam, Laos and Cambodia, now full members of the Council. Canada has also voted in favour of the admission of these three states to a number of the United Nations Specialized Agencies. Whereas neither of these actions necessarily constitutes recognition by Canada, they have likely been interpreted by the states concerned as indicating a possible trend in that direction. Moreover, at the present session of the General Assembly, Canada will, if the issue is raised, support the admission to the United Nations of these three states. This might be interpreted as constituting implied recognition by Canada.

8. *Factors against recognition*

Vietnam, Laos and Cambodia do not fulfil the customary legal requirements for the recognition of states. Nor do their governments fulfil the customary legal requirements for the recognition of governments. Since the signing of the 1949 agreements, whereby France granted considerable independence in domestic matters but retained a large measure of control over foreign affairs, defence and finance, there has been little change in the basis of this relationship; and in practice the three states cannot be considered as independent. The present indications are that this situation is likely to continue for some time to come.

9. The strongest argument against recognition is the negative attitude of the other non-Communist states of Asia (excluding South Korea and Thailand) and of the Middle East (excluding Jordan). Their refusal to recognize the Indochinese states seems to be based primarily on distrust of French intentions. Canadian action at this time to recognize the states of Vietnam, Laos and Cambodia and their governments might attract unfavourable attention in a number of other Asian and Middle East States, particularly in India and Pakistan, and might weaken our advantageous position as a "neutral" on colonial questions. The undesirable "white versus Asian" alignment, already too prevalent in the Commonwealth, might recur on this issue.

10. Recognition would probably mean little to the governments concerned, unless it were accompanied with more concrete assistance.

11. *Recommendations*

In essence the question of recognizing the states of Vietnam, Laos and Cambodia and their governments is one in which our reluctance to recognize governments, which do not fulfil the customary legal requirements and which are frowned upon by most of the neighbouring countries in Asia, must be weighed against our desire to assist a NATO colleague, sorely tried by foreign and domestic problems, and to bolster such limited independence as the governments themselves now possess. My opinion is that the political factors, in particular the NATO considerations, override the legal and other objections. I am therefore recommending that Canada extend recognition to Vietnam, Laos and Cambodia.

12. My recommendation is qualified by the suggestion that we grant recognition in accordance with the formula adopted by the United Kingdom and other states, that is, that Canada recognize each of the Indochinese states as "an Associate State within the French Union in accordance with the terms of the Agreement dated March 8, 1949, between President Auriol and His Majesty Bao Dai and recognizes the Government of His Majesty Bao Dai as the government of that state." Recognition would then not constitute recognition, in the usual sense of the word, of three new, fully sovereign states in the international community and of fully independent governments, but would only constitute a recognition of treaty arrangements.

13. Moreover, careful consideration should be given to the timing of a notification of Canadian recognition. In order to minimize the undesirable effect of such recognition in friendly Asian countries, the announcement might be timed so as not to coincide with the results of voting in the General

Assembly on issues, on which Canada might be obliged to take a stand opposite to that of friendly Asian countries, especially India and Pakistan.

BROOKE CLAXTON

1009. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa], November 5, 1952

. . .

RECOGNITION OF VIETNAM, LAOS AND CAMBODIA

20. *The Minister of National Defence, as Acting Secretary of State for External Affairs,* referring to discussion at the meeting of February 23, 1950, reported that, in the light of developments since that time, it was now suggested that favourable consideration be given to early recognition by Canada of Vietnam, Laos and Cambodia.

The United Kingdom had, early in 1950, extended a qualified form of recognition. The actual terms of the formula used by the United Kingdom were as follows:

"His Majesty's Government in the United Kingdom recognizes the status of Vietnam as an Associate State within the French Union in accordance with the terms of the Agreement dated March 8, 1949, between President Auriol and His Majesty Bao Dai and recognizes the Government of His Majesty Bao Dai as the Government of that state."

This formula had been adopted by a number of other countries including Australia, New Zealand and the Union of South Africa, and fell considerably short of full recognition of a sovereign state and government. The United States had extended diplomatic recognition without qualification or explanation.

Although recognition by Canada at this time might possibly be misinterpreted by certain Asian members of the Commonwealth it was nonetheless recommended not only because it would be extremely helpful to France, which country was experiencing difficulties in carrying out its obligations in Indo China and North Africa and at the same time in fulfilling its N.A.T.O. requirements, but because such recognition by Canada would be further evidence of the solidarity which existed amongst N.A.T.O. countries.

An explanatory note had been circulated.

(Acting Minister's memorandum, Nov. 1, 1952 — Cab. Doc. 352-52)

21. *The Prime Minister* thought Canada might well extend qualified recognition at this time as this would merely constitute acceptance of the facts as they now existed. In any event recognition would not likely alter Canada's relationship with those three countries in any way.

22. *The Cabinet*, after discussion, approved the recommendation of the Acting Secretary of State for External Affairs and agreed that steps be taken to extend qualified recognition by Canada of Vietnam, Laos and Cambodia in accordance with the formula adopted by the United Kingdom.

. . .

1010. DEA/50052-40

Note du sous-secrétaire d'État aux Affaires extérieures pour le secrétaire d'État aux Affaires extérieures

Memorandum from Under-Secretary of State for External Affairs to Secretary of State for External Affairs

SECRET Ottawa, December 24, 1952

RECOGNITION OF VIET NAM, LAOS AND CAMBODIA

Implementation of the Cabinet decision of November 5 to extend qualified recognition to these states in accordance with the formula adopted by the United Kingdom, has so far been postponed to minimize, with reference to developments in the United Nations General Assembly, the undesirable effects of such recognition on friendly Asian countries. I recommend that the appropriate action to accord recognition be taken on December 30, Ottawa time. The Assembly is now in recess, and the period from that date until it again convenes will afford an opportunity for any unfavourable reaction in these countries to subside.

2. I have written our High Commissioners in New Delhi and Karachi concerning the decision to recognize and warned them that when the date has been set for its announcement, they will be notified and asked to inform the Governments to which they are accredited, in advance.

3. To complete the matter of recognition, I suggest this procedure might be followed:

(1) Before December 29, our Ambassador to France should be instructed to approach the French Government formally on December 29, refer to the French Notes of February 3, 1950 expressing the wish that the Canadian Government recognize the Governments of the Associated States, which reached us through the local Embassy, and state that qualified recognition will be accorded to the Associated States on December 30.

(2) Before December 29, our High Commissioners in New Delhi and Karachi should be instructed to take the action outlined in paragraph 2 above on that date.

(3) On December 29, the United Kingdom and French Representatives here should be informed orally of the decision to recognize.

(4) On December 30, telegrams should go forward to the Foreign Ministers of Viet Nam, Laos and Cambodia, from you, stating the form of our recognition of their respective states.

(5) On December 30, Notes should be sent to the French Ambassador here in reply to his Notes of February 3, 1950, in which he requested the Canadian Government to recognize each of the Associated States.

(6) On December 30, a statement for the press should be released stating only that recognition had been accorded to the three states and that the Governments concerned had been notified.

4. Do you agree with the above procedure?[2]

L.D. W[ILGRESS]

1011. DEA/50052-40

Le secrétaire d'État aux Affaires extérieures au ministre des Affaires étrangères du Vietnam

Secretary of State for External Affairs to Minister of Foreign Affairs of Vietnam

UNCLASSIFIED Ottawa, December 29, 1952

J'ai l'honneur de vous faire savoir, Monsieur le Ministre, que le Gouvernement canadien accorde sa reconnaissance au Vietnam comme l'un des États associés d'Indochine au sein de l'Union Française en vertu de l'échange de lettres intervenu le 8 mars 1949 entre le Président Auriol et Sa Majesté Bao Dai et reconnait le Gouvernement de sa Majesté Bao Dai comme étant le Gouvernement de cet État.[3]

1012. DEA/50052-40

L'ambassadeur en France au secrétaire d'État aux Affaires extérieures

Ambassador in France to Secretary of State for External Affairs

TELEGRAM 1132 Paris, December 29, 1952

SECRET

RECOGNITION OF VIETNAM, LAOS AND CAMBODIA

Reference: Your telegram No. 814 dated 27 December.†

I called on M. Robert Schuman this morning and informed him in confidence of the action with respect to the recognition of Vietnam, Laos and Cambodia which the Canadian Government will be taking on the 30th December.

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[2] Note marginale :/Marginal note:
yes. L.B. P[earson]

[3] Des messages semblables furent envoyés aux ministres des Affaires étrangères du Laos et du Cambodge.
Similar messages were sent to the Foreign Ministers of Laos and Cambodia.

2. Schuman said that this recognition would be extremely welcome to the Associated States which value highly the importance of recognition by Canada.

3. He added that the French Government deeply appreciated such action which possessed all the more merit because it was taken after due reflection and he thought the moment well chosen. Canada's position in the world was such today that the recognition of the Associated States would have an international repercussion. He praised the work of our Minister at the United Nations and said that he had handled in a very tactful way the North African situation for which the French were very grateful.

1013. DEA/50052-40

Le ministre des Affaires étrangères du Cambodge
au secrétaire d'État aux Affaires extérieures

Minister of Foreign Affairs of Cambodia
to Secretary of State for External Affairs

TELEGRAM 432-TO Phnom Penh, December 31, 1952

UNCLASSIFIED

J'ai l'honneur d'accuser réception télégramme par lequel Votre Excellence a bien voulu me faire savoir que Gouvernement Canadien accorde sa reconnaissance au Cambodge comme l'un des États associés d'Indochine au sein de l'Union Française et au Gouvernement de Sa Majesté Norodom Sihanouk comme en étant le Gouvernement légal. Sa Majesté Norodom Sihanouk, son gouvernement et son peuple apprécient hautement cet acte du Gouvernement de la République[4] du Canada et prie Votre Excellence d'être leur interprète pour transmettre celui-ci leurs vifs remerciements. Ils formulent des voeux ardents pour que l'année qui va s'ouvrir apporte le bonheur et la prospérité au peuple Canadien et voie se ressérrer davantage les liens d'amitié entre le Canada et la Cambodge. Haute considération.

[NORODOM SONGDEH]

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[4] Note marginale :/Marginal note:
! H.F. F[eaver]

1014. DEA/50052-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

DESPATCH 3 Washington, January 2, 1953

UNCLASSIFIED

CANADIAN RECOGNITION OF VIET-NAM

1. The Ambassador of Viet-Nam, Mr. Tran Van Kha, called on me this afternoon to extend the thanks of his government and of the Emperor, Bao-Dai, as well as his personal thanks for the recognition of Viet-Nam by the Canadian Government. He said that he had received a telegram from his Foreign Minister requesting him to deliver through me an expression of appreciation.

2. He went on to say that he desired before long to visit Ottawa, and he asked me to find out when this would be convenient. So far as I could gather, the chief purpose of his visit would be to thank the Canadian Government in person for the action which has been taken and possibly to have a general discussion on matters of trade. He added that there was no intention of asking the Canadian Government for military aid in any form; his government was most appreciative of the moral support given to it by Canada through the act of recognition, and there might be some questions of commercial relations which it would be profitable to discuss. On this question I think that he had nothing at all definite in mind.

3. He asked me if I could find out what would be a convenient time for such a visit. I told him that I doubted if it would be convenient for him to go to Ottawa before sometime next month, but that I would enquire of you and communicate with him on the receipt of your reply. He would like, I think, to meet the Prime Minister briefly and also Mr. Howe, as well as yourself. I explained that Mr. Howe would be absent in Latin America for several weeks and that the Prime Minister and yourself would be fully occupied with parliamentary affairs. Such a visit would, I think, be productive of nothing but politenesses; it is difficult, however, for me to do more than seek to delay it until a fairly convenient time arises.

4. According to information received from the State Department, Mr. Tran Van Kha is 62 years old and a member of a wealthy land-owning family. He has served for a long time as an official under the French; from 1915 to 1935 he lived in Paris as an official dealing with Indo-China in the French Defence Department. After his return to Indo-China he served in the colonial regime there as a member, and at one time as President, of the Executive Council of Cochin-China. He holds a degree in law from the University of Paris.

H.H. WRONG

3e PARTIE/PART 3

RELATIONS AVEC LE JAPON
RELATIONS WITH JAPAN

SECTION A

TRAITÉ DE PAIX
PEACE TREATY

1015. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa], April 8, 1952

. . .

TREATY OF PEACE WITH JAPAN; AGREEMENT FOR THE SETTLEMENT OF DISPUTES

16. *The Secretary of State for External Affairs* pointed out that Article 15(a) of the Japanese Peace Treaty provided for the return, upon application within a limited time, of the property, rights and interests in Japan of the allied signatory powers and their nationals. It also provided for compensation for property which could not be returned or which had suffered injury or damage. A draft agreement had been prepared to provide for the settlement of disputes that might arise concerning the interpretation or execution of Article 15(a). The agreement provided for the establishment of joint property commissions to hear appeals and render decisions in certain circumstances. It did not call for ratification and would come into force between the government of an allied power and the Japanese government upon the date of its signature by the two governments or upon the date of the entry into force of the Treaty of Peace, whichever was later. It was recommended that the Canadian Ambassador in Washington be authorized to sign the agreement on behalf of Canada.

An explanatory memorandum had been circulated.

(Minister's memorandum, April 4, 1952 — Cab. Doc. 116-52)†

17. *The Cabinet* approved the recommendation of the Secretary of State for External Affairs and agreed that the Canadian Ambassador in Washington be authorized to sign the Agreement for the Settlement of Disputes arising under Article 15(a) of the Treaty of Peace with Japan; an Order in Council to be passed accordingly.

(Order-in-Council P.C. 2134, April 8, 1952)†[5]

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[5] Voir Canada, *Recueil des Traités*, 1952, nº 16.
See Canada, *Treaty Series*, 1952, No. 16.

1016. DEA/50052-40

Décret
Order-in-Council

P.C. 2280 Ottawa, April 17, 1952

The Committee of the Privy Council have had before them a report dated 9th April, 1952, from the Secretary of State for External Affairs, representing:

That the Treaty of Peace with Japan was signed at San Francisco on September 8, 1951, by the Honourable Lester B. Pearson, and the Honourable Robert W. Mayhew;

That the Houses of Parliament by resolution passed on April 2, 1952, and April 9, 1952, approved the said Treaty of Peace, and Protocol.

The Committee, therefore, on the recommendation of the Secretary of State for External Affairs advise that the Secretary of State for External Affairs be authorized to sign on behalf of the Government of Canada an instrument of ratification of the Treaty of Peace with Japan, and to provide for the deposit of such instrument in accordance with Article 24 of the said Treaty.[6]

1017. DEA/Library

Communiqué de presse du ministère des Affaires extérieures
Press Release by Department of External Affairs

No. 26 [Ottawa,] n.d.

FOR RELEASE AT 9.30 A.M. EDT., MONDAY, APRIL 28, 1952

The Department of External Affairs announced today that, with the coming into force of the Japanese Peace Treaty this morning, full diplomatic relations have been resumed between Canada and Japan. The treaty came into force when the United States Instrument of Ratification was deposited at 9.30 a.m. today.

The Canadian Liaison Mission, which was established in Tokyo in 1946, will now have the status of an Embassy. Pending the appointment of an ambassador, Mr. A.R. Menzies, who has been Head of the Canadian Liaison Mission since December 1950, will be the Chargé d'Affaires ad interim.

. . .

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[6] Voir Canada, *Recueil des Traités*, 1952, nº 4.
See Canada, *Treaty Series*, 1952, No. 4.

1018. DEA/Library

Communiqué de presse du ministère des Affaires extérieures

Press Release by Department of External Affairs

No. 27 [Ottawa,] n.d.

FOR RELEASE AT 9:30 A.M. EDT., MONDAY, APRIL 28, 1952

The Department of External Affairs released today the text of a message from the Prime Minister to the Prime Minister of Japan, Mr. Yoshida, on the occasion of the coming into force of the peace treaty with Japan. The text follows:

"I wish to express through you to the people of Japan the cordial good wishes of the Canadian people on this day which inaugurates a new period of friendly relations between our two countries.

"I wish to assure you that at this historic moment when Japan resumes her place as a free and sovereign member of the community of Nations, we in Canada, putting behind us all thoughts of rancour which the tragic war may have engendered, look to the new Japan to be an effective bastion of peace and freedom in an area afflicted by Communist aggression and oppression. It is the deeply felt hope of the Canadian people that Japan will play an honourable and constructive part in helping to re-establish peace, security and friendly relations among the peoples of East Asia. As a prosperous and peaceful Far East is in the best interests of Canada, we expect to find ourselves co-operating with Japan in meeting a great number of common problems in the Pacific area.

"In the years before the war, Canada had set up in Japan one of its first diplomatic missions. Numbers of Canadians worked for many years in Japan in business, education and social welfare. Through these friendly associations many Canadians had come to feel a keen interest, not only in Japanese affairs, but in Japanese culture and history.

"For my part, I sincerely welcome the opportunity that now opens up for restoring friendly and mutually profitable relations between our two countries and for strengthening sympathetic understanding between them."

1019. DEA/Library

Communiqué de presse du ministère des Affaires extérieures

Press Release by Department of External Affairs

No. 28 [Ottawa,] April 28, 1952

FOR IMMEDIATE RELEASE

Folowing is the text of a message received today by the Prime Minister from the Prime Minister of Japan, Mr. Yoshida, on the occasion of the coming into force of the peace treaty with Japan:

"Please accept my sincere thanks for your kind message delivered to me by Mr. Arthur R. Menzies Head of the Canadian Mission in Tokyo on this day the San Francisco Peace Treaty comes into force.

"For the people of Japan who have long toiled and moiled patiently and indefatigably under the allied occupation aspiring to a place of honour and equality in the family of free nations this is the day of fulfilment and of great rejoicing.

"I deeply appreciate the generous and cordial sentiments toward Japan which your letter conveys on behalf of yourself and the people of Canada. In return I desire to assure you that our nation chastened and free and committed firmly to the ways of peace is resolved to follow the path of international conciliation, concord and cooperation.

"Canada is one of the biggest countries of the world and the richest with vast natural resources still to be tapped. Japan is a small country meagrely endowed with the bounties of nature. The Canadians are a young growing people, the Japanese an old race whose origin is lost in the mist of antiquity. But we are neighbours facing the same ocean. We are inescapably bound by common interests and a community of ideals and aspirations as free nations. We are confronted as you say by a common menace in the rising tide of communism. We share the commmon destiny of the Pacific.

"May this day mark the beginning of a new era of friendly intercourse, commercial and cultural between Japan and Canada which like the warm current that washes the shores of both lands will ameliorate and enrich the lives of our two nations."

1020. DEA/50051-40

Décret

Order-in-Council

P.C. 3226 Ottawa, June 6, 1952

The Committee of the Privy Council have had before them a report dated May 31, 1952, from the Right Honourable Louis S. St. Laurent, the Prime Minister, representing:

That, by a Proclamation dated December 8, 1941, it was declared that a state of war with Japan had existed in Canada on and from the seventh day of December 1941;

That a treaty of peace between the Allied Powers and Japan was concluded in San Francisco on the eighth day of September, 1951, which recites the fact of the conclusion of the state of war between the Allied Powers and Japan;

That the Instrument of Ratification of the said treaty of peace was deposited on behalf of Canada on the seventeenth day of April, 1952, and that the said treaty came into force in respect to Canada on the twenty-eighth day of April, 1952;

That it is expedient that a Proclamation issue and declare the date on which the state of war between Canada and Japan has ceased to exist.

The Committee, therefore, on the recommendation of the Right Honourable Louis S. St. Laurent, the Prime Minister, advise that a Proclamation do issue declaring that the treaty of peace which was concluded in San Francisco between the Allied Powers and Japan on the eighth day of September, 1951, came into force with respect to Canada on the twenty-eighth day of April, 1952, and that on the said twenty-eighth day of April, 1952, the state of war between Canada and Japan ceased to exist.

J.W. PICKERSGILL

SECTION B

RELATIONS ÉCONOMIQUES
ECONOMIC RELATIONS

1021. DEA/10389-40

Le chargé d'affaires au Japon
au secrétaire d'État aux Affaires extérieures

Chargé d'Affaires in Japan
to Secretary of State for External Affairs

DESPATCH 522 Tokyo, May 7, 1952

UNCLASSIFIED

TRADING, MARITIME AND OTHER COMMERCIAL RELATIONS BETWEEN CANADA AND JAPAN

Attached is a copy of Note Verbale No. 10/T1, dated April 24, 1952,† from the Japanese Ministry of Foreign Affairs, inquiring concerning the position Canada proposes to take in regard to trading, maritime and other commercial relations with Japan under Article XII and Article VII of the Japanese Peace Treaty.

2. A copy of the interim acknowledgement returned by the Embassy is attached.†

3. It would be appreciated if instructions could be sent concerning the reply to be returned to this inquiry from the Japanese Ministry of Foreign Affairs. Your attention is directed particularly to the fact that, if it is not the intention of the Canadian Government to revive the Treaty of Commerce and Navigation between Japan and Great Britain, which covered commercial relations between Japan and Canada before the war, and if it is not the intention of the Canadian Government to extend most-favoured-nation treatment to Japanese imports into Canada, the Japanese Government is entitled under Article XII of the Peace Treaty not to continue to accord most-favoured-nation treatment to Canadian imports into Japan.

A.R. MENZIES

1022. DF/8810-J35-1

Le sous-secrétaire d'État aux Affaires extérieures
à l'ambassade au Japon

Under-Secretary of State for External Affairs
to Embassy in Japan

LETTER No. E-378 Ottawa, May 21, 1952

CONFIDENTIAL

MOST-FAVOURED-NATION TREATMENT FOR JAPAN

Reference: Your despatch No. 522 of May 7, 1952.

Preliminary consideration was given to this problem in the Interdepartmental Committee on External Trade Policy at its meeting on May 19.

2. It was generally agreed that the timing of the Japanese Note Verbale of April 24 could scarcely have been more difficult for us in the light of the problems currently being experienced by the Canadian textile industry and other branches of the economy which are already beginning to feel the impact of competition from low-cost Japanese imports. Nevertheless, it was only to be expected that the Japanese would approach us once the Treaty of Peace came into force.

3. The Committee explored, in general terms, the comparative advantages of approaching this question on a bilateral, Japanese-Canadian basis as over against a multilateral arrangement within the framework of the GATT. It also discussed some of the safeguards which Canada would probably wish to have written into either type of most-favoured-nation agreement and the extent to which the Japanese might be prepared to accept a qualified agreement of this nature. The suggestion was also put forward that a small group of officials might be sent to Japan to undertake an investigation of the Japanese cost structure, the potential market for Canadian exports and any other aspects of the Japanese economy which might be regarded as pertinent to the problem.

4. The Interdepartmental Committee decided, after discussion, to ask a smaller working group, comprising officials from our own Department, Trade & Commerce, Finance and National Revenue, to give further consideration to the implications of a most-favoured-nation agreement with Japan and the position it might be appropriate for us to adopt in replying to the Japanese approach reported in your letter under reference.

5. The question of most-favoured-nation treatment for Japan was also briefly discussed by Ministers on May 20. Although the discussion was largely of an exploratory nature, the suggestion that a group of officials, possibly even including representatives of industry be sent to Japan, appeared to recommend itself to Ministers. They felt in particular that, in present circumstances, there would be some advantage in the additional time this would provide before decisions had to be taken.

6. We shall keep you informed of any further developments on this question when the working group has submitted its recommendations to the Interdepartmental Committee. You will also receive, as soon as they are available, copies of the minutes of the meeting which was held on May 19.

A.F.W. PLUMPTRE
for Acting Under-Secretary of State
for External Affairs

1023. PCO

Extrait des conclusions de Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa,] June 26, 1952

. . .

TRADING RELATIONS WITH JAPAN; MOST-FAVOURED-NATION TREATMENT

21. *The Prime Minister* said a report had been received from the Interdepartmental Committee on External Trade Policy on the course to be taken about the enquiry from the Japanese government of April 24th. The Japanese had asked whether Canada intended to revive the Treaty of Commerce and Navigation to which we had acceded in 1913 and which extended reciprocal most-favoured-nation treatment. If Canada did not revive the treaty Japan was obliged, under Article 12 of the Peace Treaty, to give most-favoured-nation treatment only to the extent that we did the same.

The report of the Committee outlined the history of trading relations between Canada and Japan since 1913. With most-favoured-nation treatment trade had developed to a point in 1929 where Canadian exports to Japan were worth $42 million while imports from Japan were $18 million. In the 1930's trade relations had deteriorated and a tariff war had developed. The report also analyzed the principal imports from Japan, the extent of their competition with Canadian industry, and the major exports to Japan. Japan was Canada's fourth largest market in 1951. Our exports totalled $73 million as compared with imports of less than $13 million. Wheat was the largest single export item, amounting to $30 million in 1951.

The Committee had agreed that merely to send an economic mission to Japan might be regarded as stalling, might alienate the Japanese government and possibly endanger the Canadian export market. They were also of the view that revival of the Treaty of 1911 would not be an appropriate or satisfactory course. The Committee recommended that the safest course would be to start talks with the Japanese with a view to arriving at a bilateral arrangement according most-favoured-nation treatment with respect to rates of duty but retaining the right for Canadian authorities to fix valuations for customs purposes over a certain range of products. After the talks had begun, or at the same time as they began, there would be advantage in having a Canadian economic mission visit Japan.

Copies of the report had been circulated.

(Memorandum, Chairman, Interdepartmental Committee on External Trade Policy, June 25, 1952 — Cab. Doc. 197-52)'

22. *The Minister of Trade and Commerce* thought the recommendations of the Committee were on the right line. It would be necessary to have some restrictions on most-favoured-nation treatment, particularly to protect the Canadian textile industry. It was, however, very important to get a new agreement. The agreement should go beyond tariffs to ensure equal treatment in all matters that could influence the flow of trade.

23. *The Minister of Agriculture* agreed that it was most important not to endanger the Canadian export market in Japan.

24. *The Secretary of State for External Affairs* considered it probable that the Japanese would raise the question of immigration during the discussions. It would be very hard to stand on the present policy of total exclusion and it might be necessary to return to something like the pre-war position.

25. *The Cabinet*, after discussion, approved the recommendations of the Interdepartmental Committee on External Trade Policy concerning trading relations with Japan and agreed that:

(a) a reply to the Japanese note of April 24th be despatched[7] in the near future indicating that

(i) the Canadian government was not disposed to revive the Treaty of Commerce and Navigation of April 3rd, 1911, between the United Kingdom and Japan so far as Canada was concerned; and,

(ii) the Canadian government was prepared to start talks in Ottawa with the Japanese authorities with a view to arriving at mutually satisfactory arrangements to govern trading relations between the two countries;

(b) at the same time the note was handed over, the Japanese representative be advised orally that

(i) successful conclusion of the talks would depend upon the creation in Canada of a favourable atmosphere for Japanese trade and that, for this purpose, the Canadian government considered it might be desirable at an early stage in the talks, or at the same time as they began, to arrange for a semi-official or unofficial economic mission to visit Japan;

(ii) the Canadian government was contemplating giving most-favoured-nation treatment with respect to rates of duty, accompanied by fixed valuations on certain commodities included in a list which was in the course of preparation;

(c) the Department of Finance, in consulation with the Department of National Revenue, prepare an initial list of the products on which it might be desirable to retain the right to fix values for duty purposes;

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[7] Cette note porte la date du 16 juillet 1952.
Note dated July 16, 1952.

(d) the Department of Trade and Commerce prepare an initial list of Canadian products on which it might be desirable to secure unconditional most-favoured-nation treatment from Japan; and,

(e) the Interdepartmental Committee review the material prepared under (c) and (d) above and present in the near future recommendations on those matters and on the detailed arrangements for the proposed discussions and mission.

. . .

1024. DEA/10389-40

Le sous-secrétaire d'État aux Affaires extérieures
à l'ambassade au Japon

Under-Secretary of State for External Affairs
to Embassy in Japan

LETTER NO. E-504 Ottawa, July 28, 1952

CONFIDENTIAL

MOST-FAVOURED-NATION TREATMENT FOR JAPAN

The Japanese Ambassador called on us on July 26 to request further clarification in regard to the scope of the negotiations we had proposed in our reply to the Japanese Note Verbale of April 24. He wondered specifically if we were contemplating an agreement covering the broad field of commercial policy along the lines of the United Kingdom-Japanese Treaty of 1911 and the commercial treaty which his Government was at present negotiating with the United States. If this were our intention, it might be difficult to begin bilateral discussions at an early date inasmuch as the Japanese officials who would be involved in negotiations of this nature are unlikely to be available for as long as the United States-Japanese talks are in progress.

2. In reply, we told the Japanese Ambassador that it was not the policy of the Canadian Government to conclude this comprehensive type of agreement, and that what we had in mind was an agreement which would be confined to customs matters, including most-favoured-nation tariff rates and valuation provisions. We would not, of course, embark upon a negotiation of tariff concessions but were thinking of according to Japanese products our existing most-favoured-nation rates subject to the retention of the right to apply fixed values on certain specific commodities.

3. The Japanese Ambassador intimated that, in the circumstances, there would seem to be no obstacle to an early commencement of the discussions. He expressed his agreement that the negotiation of a comparatively simple type of contractual arrangement covering only one aspect of the general commercial field was the preferable procedure. In the light of his remarks on this point it occurred to us that the Japanese might well have been afraid that we were intending to protract our bilateral discussions indefinitely.

4. We understand that the question broached to us by the Japanese Ambassador was simultaneously raised with you by the Japanese Ministry of

Foreign Affairs in a note dated July 25.† As you suggested earlier, the note evidently refers also to the question of interim arrangements pending the conclusion of an agreement between Canada and Japan. However, we are inclined to suspect that this question was raised on the assumption that we were proposing to initiate negotiations leading to a more comprehensive bilateral agreement. In view of the clarification we have now provided to the Japanese Ambassador, the Japanese may possibly be prepared to drop any reference to interim arrangements.

5. Incidentally, the Japanese Ambassador conveyed to us the agreement of his Government to the despatch to Japan of an unofficial economic mission from this country. He suggested that, from the point of view of climate, it would probably be desirable for the mission to defer its visit until late September or early October.

6. We made it clear to the Ambassador that no consideration had so far been given either to the composition of the mission or to the approximate time when it might be expected to leave for Japan. However, we undertook to let the Ambassador know if and when more definite information regarding the possible despatch of an economic mission was available.

A.E. RITCHIE
for Acting Under-Secretary of State
for External Affairs

1025. DEA/10389-40

Le sous-secrétaire d'État aux Affaires extérieures
à l'ambassade au Japon

Under-Secretary of State for External Affairs
to Embassy in Japan

LETTER No. E-512 Ottawa, August 1, 1952

CONFIDENTIAL

RELATIONS BETWEEN CANADA AND JAPAN

Reference: Your Letter No. 799 of July 24.†

The Japanese Ambassador in Ottawa called on us yesterday and handed us a copy of the Note Verbale which was presented to you by the Japanese Ministry of Foreign Affairs on July 25. In this note the Japanese are asking us, *inter alia,* to outline to what extent national treatment is being accorded to Japanese natural and juridical persons and their interests in Canada. As the Ambassador suggested, the Japanese authorities are anxious to have this information so as to be able to implement the provisions of Article 12(c) of the Treaty of Peace which envisages reciprocal treatment on the part of Japan.

The Interdepartmental Committee on External Trade Policy will shortly be discussing the broad complex of questions relating to our trade with Japan. In the course of its discussion of these questions it will no doubt be giving consideration to the type of reply which it might be appropriate for you to make to the latest Japanese Note Verbale. Our preliminary view in this Department is that we might merely inform the Japanese of the current juridical position of Japanese nationals and companies in Canada and suggest that, if there were any problems which it might subsequently seem desirable to discuss, we should be prepared to consider what mutually satisfactory arrangements it might be possible to make.

The Interdepartmental discussions on matters affecting our commercial relations with Japan are likely to be held some time toward the middle of this month and we shall keep you fully informed of the conclusions which have been reached.

A.E. RITCHIE
for Acting Under-Secretary of State
for External Affairs

1026. DEA/10389-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur au Japon

Secretary of State for External Affairs
to Ambassador in Japan

DESPATCH E-614 Ottawa, October 1, 1952

CONFIDENTIAL

TRADING, MARITIME AND COMMERCIAL RELATIONS BETWEEN CANADA AND JAPAN

Reference: Your despatch No. 8[?]01 of July 28.†

Interdepartmental agreement has now been reached on the following reply to the Japanese Note Verbale of July 25:

"The Canadian Embassy presents its compliments to the Japanese Ministry of Foreign Affairs and has the honour to acknowledge the Ministry's Note Verbale No. 25/E3 of July 25, 1952,† asking for an indication of the extent to which the Canadian Government is prepared to accord to Japan national or most-favoured-nation treatment in connection with the matters covered by Article 12(b)(1) of the Treaty of Peace with Japan. It is understood that this information is required by the Japanese authorities in order to enable them to implement the obligations of reciprocity envisaged in Article 12 (c) of the Treaty.

"The Canadian Government accords, in general, national treatment to Japanese persons and their interests in all matters pertaining to the levying and collection of taxes, access to the courts, depository and fiduciary banking. National treatment is likewise accorded to Japanese goods after importation into Canada. Insofar as the ownership of property is concerned, this matter is substantially governed by the provisions of Section 24 of the Canadian Citizenship Act which stipulates that, with the exception of Canadian ships,

> 'Real and personal property of every description may be taken, acquired, held and disposed of by an alien in the same manner in all respects as by a natural-born Canadian citizen; and a title to real and personal property of every description may be derived through, from or in succession to an alien in the same manner in all respects as through, from or in succession to a natural born Canadian citizen.'

"The extent of national treatment accorded to Japanese natural and juridical persons and their interests in Canada in respect of the other activities referred to Article 12(b)(1)(ii) of the Treaty of Peace depends, in varying degrees, on the existence of provincial statutes and municipal by-laws and would have to be determined in individual cases as they arose. This Embassy is not, however, aware of any particular limitations that would affect the status or activities of Japanese nationals as such.

"In matters of shipping and navigation the Canadian Government has already indicated, in this Embassy's note of August 4, 1952,[†] that it would continue to accord to the flag vessels of Japan freedom of entry into, as well as treatment and facilities in open ports, open places and waters of Canada in a manner no less favourable than those which were accorded by the Canadian Government to vessels operated under the control of the Supreme Commander for the Allied Powers.

"The question of a bilateral air agreement between Canada and Japan was raised by this Embassy in its note of May 17, 1952,[†] under cover of which the text of a draft agreement was submitted which is at present under study by the Japanese authorities in preparation for the initiation of detailed discussions.

"In his note of July 16, 1952,[†] the Secretary of State for External Affairs conveyed to the Ambassador of Japan the readiness of the Canadian Government to commence discussions with a view to arriving at mutually satisfactory arrangements which might serve as a basis for trading relations between the two countries. While the exact scope of the proposed discussions has not yet been defined, it is expected that the question of most-favoured-nation treatment with respect to customs duties, charges, restrictions and other regulations is likely to be covered by any bilateral arrangement upon which agreement may in due course be reached."

2. I should be grateful if you could present this note to the Japanese Ministry of Foreign Affairs at your earliest convenience. The Japanese Embassy here has approached us several times during the past two months to ascertain when our reply might be expected. Although they do not say so explicitly, we are inclined to think that the Japanese are waiting for this reply before they will let us know what date would be acceptable to them for the opening of the bilateral trade discussions proposed in our note of July 16. It may well be that, in their view, the scope of these discussions could be defined only on the basis of the information we supply concerning the extent to which Canada is now according most-favoured-nation or national treatment to Japanese persons and their interests.

3. In as much as we have undertaken to provide a copy of our reply to the Japanese Embassy in Ottawa, I should appreciate it if you could let me know by telegram the day on which the reply has been sent to the Japanese Ministry of Foreign Affairs.

L.D. WILGRESS
for Secretary of State
for External Affairs

1027. DEA/10389-40

Le chargé d'affaires au Japon
au secrétaire d'État aux Affaires extérieures

Chargé d'Affaires in Japan
to Secretary of State for External Affairs

TELEGRAM 167 Tokyo, October 10, 1952

UNCLASSIFIED

Reference: Your despatch No. 614 of October 1st.

Note on trade, maritime and commercial relations between Canada and Japan sent to Foreign Ministry, October 11 [sic].

1028. DEA/10389-40

Le sous-secrétaire d'État aux Affaires extérieures
au chargé d'affaires au Japon

Under-Secretary of State for External Affairs
to Chargé d'Affaires in Japan

LETTER E-712 Ottawa, November 15, 1952

CONFIDENTIAL

AGREEMENT ON COMMERCIAL RELATIONS BETWEEN CANADA AND JAPAN

I attach for your information a copy of a draft agreement on commercial relations between Japan and Canada which the Japanese Ambassador left with me on November 13.† In presenting this draft the Ambassador explained that it was intended to be used as a basis of negotiation between the Japanese and Canadian representatives and that it was based substantially on the provisions included in some of our post-World War II commercial agreements with Latin American countries. In reply to my question whether the draft covered valuations for duty purposes the Japanese Ambassador suggested that this aspect of the question might appropriately form the subject of a separate exchange of notes.

2. Mr. Inagaki of the Japanese Embassy subsequently called on the Department on November 14 to shed some further light on the source material on which the Japanese authorities had drawn in the preparation of the draft

agreement. It would appear that the present draft includes not only extracts from our agreements with Venezuela, Mexico and Argentina, but also from the General Agreement on Tariffs and Trade and a model draft agreement drawn up in 1929 by the Economic Committee of the League of Nations.

3. Mr. Inagaki agreed that it was premature, at this stage, to enter into a substantive discussion of the Japanese draft. He was fully aware of the need on our part for careful consideration of the proposals his Government had presented. At the same time, he suggested that his Government was most anxious to proceed with the conclusion of commercial agreements on a most-favoured-nation basis and added, in confidence, that the Japanese attached particular importance to the negotiations with Canada and those which they expected to initiate with France. It was for this reason that the Japanese authorities had taken so long in drawing up a draft agreement to govern Japanese-Canadian commercial relations; this draft, if generally acceptable, was intended to serve as a model for agreements with countries in a position similar to that of Canada.

4. We undertook to expedite our preliminary consideration of the Japanese proposals as much as possible. In the meantime Mr. Inagaki will be submitting to us in writing certain questions of interpretation which his authorities in Tokyo had raised and which we agreed to answer without delay. It is our understanding that Mr. Inagaki will himself be in charge of the conduct of the negotiations on the Japanese side.

5. We shall endeavour to keep you as fully informed as possible of any significant developments as our discussions with the Japanese move forward. You will already have received a copy of my letter to Mr. Pickersgill setting out the general line which our own negotiating team would expect to follow. This line of policy is likely to be submitted to Ministers for approval some time during the coming week.

A.E. RITCHIE
for Under-Secretary of State
for External Affairs

1029. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa,] November 19, 1952

. . .

TRADE NEGOTIATIONS WITH JAPAN; LINE TO BE FOLLOWED BY CANADIAN NEGOTIATORS

24. *The Minister of Trade and Commerce,* referring to discussion at the meeting of June 26th, said the Interdepartmental Committee on External Trade Policy now recommended that, rather than attempt to secure a list of products on which Canada would have the right to fix values for duty in the

trade agreement with Japan, it would be desirable to try to reserve the right to apply fixed values on any imports which were either causing or threatening to cause serious injury to Canadian industry. There could be a commitment to consult with the Japanese in advance wherever possible. It was proposed that the negotiators seek from the Japanese non-discriminatory treatment for Canadian exports to Japan. This would apply to the 100 percent surtax which the Japanese could impose on goods from any country discriminating against Japan. It would also apply to quantitative import restrictions and the allocation of foreign exchange. The starting position would probably be to insist on complete non-discrimination between hard and soft currency countries. As a minimum Canada should secure non-discriminatory allocation of exchange among the hard currency countries. The question whether to retreat that far would have to be decided, if necessary, in the light of the progress achieved in the negotiations as a whole.

The question was raised whether further consideration should be given at present to the question of sending a semi-official or unofficial economic mission to Japan.

An explanatory memorandum had been circulated.

(Secretary's memorandum, Nov. 14, 1952 — Cab. Doc. 362-52)[†]

25. *The Cabinet*, after discussion:

(a) approved the proposals of the Interdepartmental Committee on External Trade Policy concerning the lines to be followed by the Canadian negotiators in discussions on the trade agreement with Japan in relation to the reservation of the right to apply fixed values on imports causing or threatening to cause serious injury to Canadian industry and the type of assurances that should be received from Japan about Canadian exports; and,

(b) agreed that decision concerning the dispatch of a semi-official or unofficial economic mission to Japan be deferred pending further developments in the negotiations.

. . .

1030. DEA/10389-40

Le secrétaire d'État aux Affaires extérieures
au haut-commissaire au Royaume-Uni

Secretary of State for External Affairs
to High Commissioner in United Kingdom

TELEGRAM 2113[8] Ottawa, December 6, 1952

CONFIDENTIAL

CANADIAN-JAPANESE TRADE RELATIONS

Inagaki of the Japanese Embassy called on the Department on December 5 and, under instructions from his Government, left with us an Aide Memoire requesting that we give favourable consideration to commencing bilateral tariff negotiations prior to Japanese accession to GATT. He explained that such negotiations would be quite separate in scope and purpose from the discussions now taking place for reciprocal most-favoured-nation treatment and that if we should so desire the results of any such bilateral tariff negotiations could be held in abeyance until Japan was admitted into the GATT. (In the proposed negotiations, the procedures and methods adopted for the Torquay negotiations would apply.)

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[8] Le télégramme porte la mention manuscrite :/Noted on telegram:
and to Washington No. EX-2330 with priority.

2. Inagaki declared that his Government was making this proposal to us and to other GATT countries for three reasons: First, if a favourable reaction could be obtained from the countries thus approached, this fact might tend to create a favourable climate at the Intersessional Committee meeting next February; secondly, if successful tariff negotiations could be completed, these, in their turn, might facilitate the entry of Japan into GATT; third, the Japanese Government was having great difficulty in satisfying the Diet with its explanations of why the Japanese application to negotiate with a view to accession to GATT was making slow progress. Accordingly his Government would like to have some tangible evidence that Japan was regaining her place in the commercial world.

3. In discussion Inagaki further elucidated that his Government, being aware of the problems of negotiating bilateral tariff agreements with GATT countries, was considering negotiating with several countries simultaneously and in one place. He mentioned two possible groups: on the one hand, Ceylon, India, Pakistan, Burma and Indonesia (or Indo-China) and on the other hand, Sweden, Germany and Italy. We asked Inagaki whether a similar approach was being made to the United States but he appeared to be uncertain.

4. We explained to Inagaki that, as we had already explained to Hagiwara at Geneva, our first reaction to such a proposal was that we were very doubtful whether any useful results could be obtained in bilateral tariff negotiations between Canada and Japan, because for many of the tariff items in which Japan would have an interest the United States or some other country was probably our principal supplier. It would therefore be difficult for us to negotiate any concessions beneficial to Japan unless we were negotiating with such other countries at the same time. We did not wish to appear unhelpful but we doubted whether bilateral negotiations now would prove to be of any great use or would save any time.

5. It was also suggested to Inagaki that to await multilateral negotiations might not necessarily mean that Japanese tariff negotiations would be postponed for very long. There is no provision at present for the GATT schedules to extend beyond the end of 1953[9] and consideration would have to be given before many months — the point would likely come up at the Intersessional Committee meeting in early February — to the arrangements

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[9] Note marginale :/Marginal note:
GATT schedules are only "bound firmly" until end 53.

that would have to be made for those schedules and possibly for further tariff negotiations under GATT.

6. Inagaki seemed more or less impressed with our explanations and said he would transmit them to Tokyo and suggest that his Government might advise him what practical value, from a tariff viewpoint, they foresaw in bilateral negotiations with Canada at this time. For our part, we undertook to give careful consideration to the Japanese proposal and in due course to communicate a reply.

7. It may be that Japan could successfully work out significant tariff concessions with the groups of countries described in paragraph 3. This possibility, of course, could carry several implications, some possibly tending in the direction of regional arrangements.

8. As Japanese trade may be discussed at least on the side during the Commonwealth Economic Conference, we are sending this message to you so that you will be fully informed on the latest developments here. We should, of course, be interested in any indications that other Commonwealth Governments have received similar approaches.

For Washington only: I should be grateful if you would enquire informally of the State Department whether a similar approach has been made to the United States.

1031. DEA/10389-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-2817 Washington, December 8, 1952

CONFIDENTIAL

JAPANESE TRADE RELATIONS

Reference: EX-2330 of December 6th.

1. The State Department have informed us that the Japanese have not made a formal request that the United States consider bilateral tariff negotiations prior to Japanese accession to GATT. There have however been informal discussions on this matter between officials of the Japanese Embassy and the State Department.

2. As a result of these informal discussions the Japanese Embassy has been made aware of the United States preference for multilateral negotiations. The United States apparently does not favour the suggestion of bilateral United States-Japanese negotiations before the outcome of the Japanese application to join GATT is known. It is hoped here that there is not too great a delay in dealing with the Japanese application, since it is recognized that Japan is suffering from a severe case of economic claustrophobia. State Department

officials expressed the opinion that if the Japanese application to GATT were rejected, the United States would probably then be willing to hold bilateral discussions with the Japanese.

3. The other major factor contributing to the United States unwillingness to hold bilateral talks now is the status of the Trade Agreements Act. This act expires on June 12th next and it remains to be seen whether and in what form it is renewed. The State Department officials whom we consulted on this matter made a personal guess that the next Congress will approve a Trade Agreement Act at least as liberal as the current act, if not more so.

1032. DEA/10389-40

Le sous-secrétaire d'État aux Affaires extérieures
au sous-ministre du Commerce

Under-Secretary of State for External Affairs
to Deputy Minister, Department of Trade and Commerce

CONFIDENTIAL Ottawa, December 31, 1952

Attention: Dr. C.M. Isbister

Mr. Inagaki, Counsellor of the Japanese Embassy, called on this Department on December 30th to discuss further the proposal of his Government that we enter into bilateral tariff negotiations in advance of Japanese accession to the GATT.

2. Mr. Inagaki said that he had reported to Tokyo his previous talk with us and that his authorities recognized the important practical difficulties in holding such negotiations on a purely bilateral basis. However, it was assumed that we were not opposed in principle to tariff negotiations with Japan in advance of Japanese accession to GATT. His Government, therefore, hoped that, in replying to the Japanese proposal, we would not do so in an entirely negative manner. Mr. Inagaki said that, for political reasons at home, it was hoped that our reply would indicate our willingness to enter into negotiations provided that certain (possibly unattainable) conditions were met. For instance, we might indicate our readiness to negotiate provided that it would be possible for us to negotiate at the same time with other major trading countries. (The impracticability of such simultaneous negotiations between Canada and such an important supplier as United States in the near future appeared to be recognised by Mr. Inagaki when he said that Japan had not proposed bilateral negotiations between the United States and Japan for the reason that the new Administration was not yet in office and its views concerning the future of the Reciprocal Trade Agreeements Act were not yet known.)

3. Mr. Inagaki realized that, in the absence of general tariff negotiations, Canadian concessions of benefit to Japan would have to be confined to commodities of which Japan was the "principal supplier". He thought that there were a few such commodities and that there were also some goods (e.g. wheat and certain non-ferrous metals) of which Canada was Japan's principal

supplier. He wondered whether it might not be worth while to negotiate at this stage on even these few miscellaneous commodities. Any concessions emerging from such limited negotiations might represent little more than a gesture, but even a mere gesture was important to Japan.

4. We told Mr. Inagaki that our reply to the proposal for bilateral negotiations in advance of Japanese accession to GATT was still being studied interdepartmentally but that we expected it would be more or less along the lines of what had been said to him during his previous visit.

5. With regard to his request that our reply should be framed in a positive manner accompanied by any necessary provisos, we said that we would consider this request but there might be some difficulty in meeting it precisely in the way in which he had suggested.

6. Regarding the possible utility of limited bilateral negotiations on the few commodities of which each country was the other's principal supplier, we were skeptical but we undertook to look into the question further.

7. Finally, Mr. Inagaki said that, although he was now again visiting this Department concerning the proposal for tariff negotiations, nevertheless the most-favoured-nation trade agreement was considered by his Government to be of much higher priority and, therefore, he did not wish us to obtain the impression that the attention of the Japanese Government now was focused on tariff negotiations. We said that we appreciated that this was the Japanese attitude and we hoped our reply to the Japanese draft Agreement would be transmitted to his Embassy during the first two or three weeks in January.

A.E. RITCHIE
for Under-Secretary of State
for External Affairs

CHAPITRE XII/CHAPTER XII

AMÉRIQUE LATINE
LATIN AMERICA

PREMIÈRE PARTIE/PART I

MISSION COMMERCIALE
GOODWILL TRADE MISSION

1033. DEA/11563-3-40

Note de la Direction de l'Amérique et de l'Extrême-Orient pour le sous-secrétaire d'État aux Affaires extérieures

Memorandum from American and Far Eastern Division to Under-Secretary of State for External Affairs

CONFIDENTIAL Ottawa, June 17, 1952

PROJECTED VISIT OF A CANADIAN TRADE MISSION TO LATIN AMERICA HEADED BY THE RIGHT HONOURABLE C.D. HOWE

Attached, if you concur, is a memorandum for the Minister's information concerning the proposed visit to Latin America this autumn of the Minister of Trade and Commerce accompanied by several of his officers and a group of Canadian businessmen.

In this Department we have been endeavouring to formulate a Latin American policy paper, and last fall discussions were held under the chairmanship of Mr. Heeney with various officers from Trade and Commerce. The draft paper included the suggestion of a visit of a Canadian Goodwill Mission to Latin America to be headed by a Cabinet Minister. Since it was decided that the emphasis in this area was to be placed on trade, the Minister of Trade and Commerce logically was the most suitable person to head the delegation.

Mr. W.F. Bull, the Deputy Minister, took this matter up with Mr. Howe recently and the latter has agreed to the trip. Preliminary plans for the group are now being formulated, based on the same type of mission as went to South Africa headed by Senator MacKinnon, when the latter was Minister of Trade and Commerce, and travelled there accompanied by a representative group of Canadian businessmen.

E.H. N[ORMAN]

[PIÈCE JOINTE/ENCLOSURE]

DEA/11563-3-40

Note du sous-secrétaire d'État aux Affaires extérieures
pour le secrétaire d'État aux Affaires extérieures

Memorandum from Under-Secretary of State for External Affairs
to Secretary of State for External Affairs

CONFIDENTIAL Ottawa, June 19, 1952

PROJECTED VISIT OF A CANADIAN TRADE MISSION TO LATIN AMERICA, HEADED BY THE RT. HON. C.D. HOWE

You might already be aware that Mr. Howe has agreed to lead a Canadian trade delegation to Latin America and the Caribbean area in October and November of this year.

2. The Department is satisfied that this is a very happy development, not only in the field of trade but also more generally in a strengthening of our relations with Latin America. At the official level, we have been considering the idea for some time.

3. Present plans call for the type of Mission which Senator MacKinnon headed to South Africa, Mission composed of Department of Trade and Commerce officials and a group of Canadian businessmen. These would be selected by the Department of Trade and Commerce, bearing in mind their interest in Latin America but also taking into consideration suggestions made by such associations as the Canadian Manufacturers Association and the Canadian Exporters Association. This is a welcome proposal from our point of view because, as you may remember, there was some criticism at a recent Canadian Exporters Association meeting by their members as to the amount of cooperation given to them by Canadian Government officials abroad.

4. Mr. Howe will be accompanied by Mr. W.F. Bull, Deputy Minister, Mr. A.L. Savard, Latin American Area Officer and one of the Minister's Private Secretaries.

5. Two itineraries are being considered:

(a) A short tour during which the Mission would visit Cuba, Brazil, Trinidad, Venezuela, Colombia, Guatemala and Mexico. The tour would last about five weeks.

(b) A more extensive tour which would include the West Coast countries of Peru and Chile as well as a visit to Argentina and Uruguay.

5. [sic] The first itinerary presents little if any political difficulties, although countries like Argentina, Peru, Chile and Uruguay will not be too happy to be left out altogether. The second tour raises the problem of a visit to Argentina, and we have been consulted informally by the Department of Trade and Commerce about the advisability of such a visit at this time.

6. Canadian trade with Argentina has fallen badly due to the restrictions and difficulties placed in the way of international trade generally by the Peron

Government. A visit by Mr. Howe might give a fillip to the situation and bring from increased interest in trade with Canada. It is doubted, however, whether any immediate results could be achieved; long term prospects could, however, be served. Our information from Argentina indicates that the Peron régime has been weakened in the last year by economic difficulties and the question arises as to whether Mr. Howe should go there at a time when Peron is in such a predicament. We are inclined to feel that, because of the nature of the visit which is basically one of trade, Mr. Howe should not be advised not to go to Argentina. It would be up to the businessmen to decide whether the trip is worth it or not from their point of view. We should point out, however, that should Mr. Howe's itinerary include Chile and Peru and exclude Argentina, this could have a bad effect on our relations with that country. The choice therefore would be either to agree on itinerary (a) or (b), including Argentina.

7. You will have noticed that no suggestion is made that a representative from this Department be included among the officials accompanying Mr. Howe. This is not very satisfactory from our point of view. A representative of this Department accompanied the three earlier trade missions to Latin America. This has proven useful not only to the mission but also to our offices in Latin America, as well as to the Department. The role of such an officer would be to advise the Head of Delegation on matters of policy, to act as liaison officer between the Department of Trade and Commerce and our own diplomatic missions and between the trade mission and the Foreign Offices of the countries to be visited. While the presence of such an officer is not essential for the success of the visit, it seems to me that all concerned would benefit from it. Perhaps an External Affairs officer, if he were well chosen, could play an even more important role on the mission as adviser on our external trade policy generally. I am thinking of people like LePan or Warren who, if they could be spared, would, during the negotiations in the Latin American countries, avoid many pitfalls.

8. The time of the visit of this Mission to Latin America raises in a rather acute form the problem of the establishment of diplomatic missions in Uruguay, Venezuela and Colombia. With your concurrence, I would suggest that we endeavour to have those Missions opened before Mr. Howe's visit. Otherwise, there will be awkward problems and, in Colombia and possibly Uruguay, the Mission would have to be introduced to the local authorities by the United Kingdom Ambassador. This should be avoided. I realize that it will not be easy to find qualified personnel for those three Posts but we should, in my view, make a very serious effort to meet this problem which has already been in abeyance for some time.[1]

9. Your directives would therefore be required on the following points:

1) If you agree with the general considerations advanced in paragraph 6, you might consider it appropriate that we advise the Department of Trade and Commerce that there is no objection to itinerary (a), and that on the whole, we

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[1] Voir les documents 39-53./See Documents 39-53.

do not feel we should raise any objection towards itinerary (b) as long as Argentina is not excluded.[2]

2) Would you wish us to take up with the Department of Trade and Commerce the desirability of attaching one of our officers to the Mission?[3]

3) Do you agree that we should attempt to open our Missions in Uruguay, Venezuela and Colombia in advance of the tour?[4]

[L.D.] W[ILGRESS]

1034. DEA/11563-3-40

Le sous-secrétaire d'État aux Affaires extérieures
au sous-ministre du Commerce

Under-Secretary of State for External Affairs
to Deputy Minister, Department of Trade and Commerce

CONFIDENTIAL Ottawa, June 30, 1952

Dear Mr. Bull,

We have been most interested in this Department to learn of the projected visit of your Minister to Latin America this coming January. As you know, we believe that a Canadian good-will mission at this time would help considerably in bettering our relations with the Latin American republics. We are particularly pleased that Mr. Howe is agreeable to heading the Delegation and that you will be going with him. We shall be most interested to learn later on as to which Canadian businessmen will be joining the group.

We feel too, that the political implications of this mission may be most worthwhile and, for that reason, we would like to propose that one of our External Affairs officers be invited to join the group. I understand that Mr. Pearson has already mentioned this point to Mr. Howe and that your Minister agreed.

You will doubtless be letting me know as soon as possible when the proposed dates and suggested itinerary are more settled. On our side, we shall be most pleased to cooperate in any way towards making this mission the success it should be.

Yours sincerely,

L.D. WILGRESS

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[2] Note marginale :/Marginal note:
OK.

[3] Note marginale :/Marginal note:
Yes, I have already mentioned this to Mr. Howe who agrees.

[4] Note marginale :/Marginal note:
Not sure of this, but on the whole I think it would be desirable.
I have talked to Mr. Howe about this mission urging him strongly to do it — and in the most impressive way possible. RCAF plane, showing the flag, etc. etc.
L.B. P[earson]

1035. DEA/11563-3-40

Le sous-ministre du Commerce
au sous-secrétaire d'État aux Affaires extérieures

Deputy Minister of Trade and Commerce
to Under-Secretary of State for External Affairs

CONFIDENTIAL Ottawa, August 29, 1952

Dear Mr. Wilgress,

I have delayed replying to your letter of June 30 until the Minister's plans with regard to heading a Mission to Latin America had become more definite.

The departure date has now been tentatively set for January 5 and the return date about February 14, with the Mission travelling by R.C.A.F. plane, but here again details have still to be worked out. The countries to be visited include Brazil, Argentina, Uruguay, Venezuela, Colombia, Mexico and Cuba, with a stop-over en route to Trinidad.

I welcome your offer of co-operation in making the Mission a success. In this connection, while I should appreciate your advising the various Heads of Mission of what is proposed, I would suggest, however, that official advice to the Governments concerned be delayed until some time late in October, when further information will be available as to the exact date of arrival in each city.

Your proposal to have an External Affairs officer accompany the Mission is acceptable to the Minister, because, like you, he feels that the political implications may be well worthwhile. I assume that whoever may be selected from External Affairs would be available for assisting in supervising the many duties that cannot be avoided in carrying through a successful Mission of this kind.

I shall be pleased to keep you advised as to what progress we are making with regard to persuading Canadian businessmen to form part of the Mission. Up to the present, both Mr. Jim Duncan, of Massey-Harris Company Limited, and Mr. Doug Ambridge, of Abitibi Power & Paper Company Limited, have indicated their willingness to accompany the Mission.

Yours faithfully,

WM. FREDERICK BULL

1036. DEA/11563-3-40

Le sous-secrétaire d'État aux Affaires extérieures
au sous-ministre par intérim du Commerce

Under-Secretary of State for External Affairs
to Acting Deputy Minister, Department of Trade and Commerce

CONFIDENTIAL Ottawa, September 17, 1952

Dear Mr. Sharp,

I wish to acknowledge Mr. Bull's letter of August 29 in which he was good enough to give me preliminary information regarding your Minister's plans for the good-will Mission that he will be leading to Latin America early next year.

2. I understand that the tentative itinerary is now being considered by Mr. Howe and I trust you will be able to inform me shortly of the dates selected for the visits to each country. I should also welcome receiving the names of those who are to accompany Mr. Howe. As soon as these details are available I shall be glad to ask our heads of mission in the countries to be visited to approach the governments concerned. As you will appreciate, the more advance notice these governments have of the fact that a special Mission is contemplated, the greater will be their interest in it.

3. I note from Mr. Bull's letter that it is now planned to include stops in Argentina and Uruguay. This raises the question of whether feelings will be hurt in Chile and Peru (particularly the former) if, when the Mission passes so close to these countries, it does not include stops in Lima and Santiago as well. General Odria is in power in Peru and General Ibanez will doubtless have taken office as the new President of Chile by the end of the year. The latter's government, like that of General Odria, will probably be authoritarian and friendly to General Peron. It is quite likely that in government circles in Peru and Chile and/or in the press of these countries there will be some reference to the fact that Chile and Peru are not considered "important enough" for the Mission to visit. Such references are perhaps not likely to have very serious political repercussions but might lead to some form of interference with trade such as the withholding of import licences or stricter application of currency controls. This is a matter that would be of more direct concern to your Department and I realize that to travel down the West Coast and stop over in Peru and Chile, while not involving any greater mileage, would mean prolonging the trip by about five days which your Minister might be reluctant to do.

4. I am glad to hear that you have been able to arrange for a number of important Canadian businessmen to join the Mission. The Embassies in Latin America will, I feel sure, be glad to provide every assistance to the Mission that may be required.

Yours sincerely,

L.D. WILGRESS

1037. DEA/11563-3-40

Le secrétaire d'État aux Affaires extérieures à l'ambassadeur au Pérou

Secretary of State for External Affairs to Ambassador in Peru

TELEGRAM 34[5] Ottawa, October 24, 1952

CONFIDENTIAL. IMPORTANT

In January 1953 a good-will mission, headed by the Minister of Trade and Commerce and principally concerned with trade, will make short visits to Mexico, Colombia, Venezuela and the three countries on the east coast of South America, with three brief stop-overs in the Caribbean. Full itinerary has been sent to you by bag. Announcements will possibly be issued in Ottawa and host capitals as early as November 7. The release date will be telegraphed when agreed upon. The governments concerned are being asked at present to agree to receive the mission.

2. The countries to be visited are our main present markets in Latin America. The Department of Trade and Commerce took fully into account the advantages of including in the itinerary stops in Peru and Chile but, finding that the time at the disposal of Mr. Howe (between sessions of Parliament) and the business members of the mission was very limited, was forced to a decision, with great regret, that on this occasion it was impossible to extend the tour to the West coast of South America or to Central America.

3. The information in paragraph 2 above is designed to assist you in answering any questions asked after the announcements are made. You may add, if necessary, that this tour is being undertaken in line with a general policy of sending trade missions to the Latin American and other areas and that it is hoped that a tour which will include Central America and the west coast of South America will prove feasible in the not too distant future. At the same time you should not encourage proposals for a further tour at an early date. The matter should be treated as confidential pending announcements. It is considered that if an attempt were made to explain the situation to the Peruvian and Chilean Governments before the announcements, they would press for extension of the itinerary and our embarrassment would be the greater.

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[5] Le télégramme porte la mention :/Noted in telegram:
Repeat to the Canadian Ambassador, Santiago, Chile 49.

1038. DEA/11563-3-40

Le sous-secrétaire d'État aux Affaires extérieures au sous-ministre du Commerce

Under-Secretary of State for External Affairs to Deputy Minister of Trade and Commerce

Ottawa, November 4, 1952

Dear Mr. Bull,

With further reference to your letter of August 29 and subsequent correspondence concerning Mr. Howe's goodwill trade mission to Latin America, I have pleasure in informing you that the representative of this Department will be Mr. Jules Léger, Assistant Under-Secretary of State for External Affairs.

I know Mr. Léger will be glad to be of all possible help to your Minister and to assist in any way with advice on the political implications of any question which may arise.

Sincerely,

L.D. WILGRESS

1039. DTC/91-TRIPS-LATHAM

Note du ministère du Commerce

Memorandum by Department of Trade and Commerce

Ottawa, December 16, 1952

LATIN AMERICAN GOODWILL TRADE MISSION

Basic Data

1. The Right Hon. C.D. Howe, Minister of Trade and Commerce, announced on November 7, 1952, that he would head a goodwill trade mission of government officials and businessmen to Brazil, Argentina, Uruguay, Venezuela, Colombia, the Dominican Republic, Haiti, Cuba and Mexico, visiting them in that order. He will visit the capitals of each country and, in addition, will call at Sao Paulo, in Brazil.

2. *Itinerary.* The Mission plans to leave Ottawa on January 5, 1953, and is due back in Canada on February 10. The scheduled dates of arrival are as follows:

Rio de Janeiro	January 7
Sao Paulo	January 11
Buenos Aires	January 15
Montevideo	January 18

Caracas	January 22
Bogota	January 28
Ciudad Trujillo	February 1
Port-au-Prince	February 2
Havana	February 2
Mexico City	February 5

3. *Businessmen.* Personnel of the Mission will include the following businessmen:

Mr. D.W. Ambridge, C.B.E., B.Sc., President and General-Manager of the Abitibi Power & Paper Company, Limited, with head office in Toronto, who is representing the Canadian Chamber of Commerce on the Mission.

Mr. Jean-Marie Bonin, General-Manager of La Cooperative Agricole de Granby, of Granby, Quebec, who is representing La Chambre de Commerce de la Province de Quebec on the Mission.

Mr. Clive B. Davidson, Secretary of The Canadian Wheat Board, Winnipeg, Man.

Mr. James S. Duncan, C.M.G., Chairman and President of the Massey-Harris Company, Limited, with head office in Toronto, who is representing the Canadian Manufacturers' Association on the Mission.

Mr. Alex Gray, President of the Gray-Bonney Tool Company, Limited, of Toronto, who is representing the Canadian Exporters' Association on the Mission.

Mr. Frank L. Marshall, V.P. In Charge of Export for Joseph E. Seagram & Sons, Limited, with head office in Montreal, and President of the Canadian Inter-American Association.

Mr. K.F. Wadsworth, President and General-Manager of the Maple Leaf Milling Company, Limited, with head office in Toronto.

4. *Aircraft.* The party will travel in the R.C.A.F. "C-5" aircraft, which has carried many important personages on visits in Canada. Her Majesty the Queen, then Princess Elizabeth, and the Duke of Edinburgh travelled in it during their visit to Canada in 1951.

5. *Purpose.* The fact that a Minister of the Crown and senior executives of leading Canadian firms selling in the market are paying a visit to nine Latin American countries is, of itself, a positive indication of Canada's continuing goodwill and great interest in the further development of trade. Members of the Mission will be enabled to increase their knowledge of business conditions and prospects by meeting with leading government and business executives. They will have opportunities, at functions and in private, to present a picture of Canada's industrial growth and commercial aspirations, so that business and

government in the nine countries will have their attention focussed on Canada as a market and a source of supply.

6. *Former Canadian Missions.* Over the years, various official and semi-official missions from Canada have visited Latin America. The Canadian Government, in conjunction with the Canadian Chamber of Commerce and the Canadian Manufacturers' Association, sent a large delegation to Buenos Aires in March, 1931, when the Canadian pavilion at the British Empire Exhibition was opened. Visits were also made at that time to Uruguay and Brazil.

The Hon. James A. MacKinnon, former Minister of Trade and Commerce, headed a trade mission to South America in 1941, and in February, 1946, he visited Mexico, Guatemala, El Salvador, Honduras, Nicaragua, Costa Rica, Panama and Colombia.

7. *Canadian Representatives in Latin America.* Canada recently appointed ambassadors to Colombia, Uruguay and Venezuela. One of the first functions of these officers will be to welcome Mr. Howe and the Trade Mission. Canada now has diplomatic missions at nine capitals in Latin America — the others are in Argentina, Brazil, Chile, Cuba, Mexico and Peru. In addition to Foreign Trade Service officers posted with the missions, there are Canadian Trade Commissioners in Ciudad Trujillo, Guatemala City and Sao Paulo.

8. *Trade with the Nine Countries.* The extent to which trade between Canada and the nine countries to be visited on the forthcoming mission has increased is indicated by the fact that the aggregate value of trade in 1951 amounted to $404 million, compared with only $27 million in 1938, immediately prior to the Second World War. Canadian exports have risen in value from $15 million to $166 million during those thirteen years. This increase indicates how great are the possibilities of the Latin American market for Canadian goods, and how much can be accomplished by continuous and intelligent efforts to sell in that area.

Canadian imports from the nine countries on the itinerary of the trade mission increased in value from $12 million in 1938 to $238 million in 1951.

9. *Government Officers on Mission.* Personnel on the Mission will include the following government officers:

Mr. Wm. Frederick Bull, Deputy Minister of Trade and Commerce.

Mr. Jules Léger, Assistant Under-Secretary of State for External Affairs.

Mr. Alfred Savard, Area Trade Officer, Canadian Trade Commissioner Service, and Secretary of the Mission.

Mr. M. Schwarzmann, of the International Trade Relations Branch, Department of Trade and Commerce.

Wing Commander Frank Bell, DFC., AFC., CD, R.C.A.F. Conducting Officer on the Mission.

2^e^ PARTIE/PART 2

ORGANISATION DES ÉTATS AMÉRICAINS ORGANIZATION OF AMERICAN STATES

1040. DEA/2226-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis

Secretary of State for External Affairs
to Ambassador in United States

DESPATCH X-1456 Ottawa, September 13, 1952

CONFIDENTIAL

POSSIBLE INVITATION TO CANADA TO ACCEPT OBSERVER STATUS AT 10TH INTER-AMERICAN CONFERENCE OF THE ORGANIZATION OF AMERICAN STATES TO BE HELD IN CARACAS, VENEZUELA IN 1953

Attached is a State Department memorandum, copy of which was left with the American Division by Mr. J.H. Morgan, Counsellor of the United States Embassy in Ottawa, for informational purposes only. However, it poses a new and very interesting question as to whether Canada would attend the next meeting of the Organization of American States as an *observer*, and it gives the background of U.S. views at an official level on Canadian participation in the OAS.

2. You will observe this memorandum has been prepared for background use in connection with talks which either Mr. Matthews or Mr. Miller intends to have with you. Mr. Morgan was not advised by Washington whether these discussions had yet been held with you, but we thought you might like to have their departmental memorandum for early consideration.

3. In Mr. Morgan's informal talk with the American Division, he inquired as to what our views might be and he was told that we would give consideration to the problem and advise him shortly as to our reaction. He was told of our past relations with the OAS and informed of the public statements made by the Prime Minister and Minister in 1949, bringing him up to date by a resumé of our most recent statements of policy as set out in our secret letter of instructions to the Canadian Ambassador in Brazil, being,

a) that Canada is not prepared at present to join the Organization of American States, but that we do take a certain part in the inter-american system of organizations and technical conferences,

b) that Canada is not seeking an invitation to join the OAS,

c) that for the time being we prefer not to receive an invitation,

d) that knowledge of the OAS or the Pan-American Union is very limited in Canada and that there does not seem to be any pressing reason at the moment which would prompt us to change our attitude to the inter-american system,

e) that our economic, cultural and other mutual relations with the various Latin American republics had always been very good and that we expected they would improve constantly.

4. The reasons above are those put forward towards joining the OAS as a full-fledged *member* while the present query is whether we would attend as *observers* only — in this instance, but with the hope that this action might lead to membership later. This creates a new situation and one which should be assessed with considerable care. It is not impossible that the State Department is beginning to feel that the United States is getting into a position of being one against twenty and that the U.S. Government may even attempt to press us to join the OAS in order to counteract the growing anti-United States propaganda throughout Latin America.

5. Mr. Morgan was asked if the U.S. Ambassador in Canada or he were of the opinion that our entry into the OAS would, in their view, tend to have good or detrimental effects upon the direct friendly relations now existing between the U.S. and Canada. He appeared quite surprised at this approach, considered it a most interesting point and said he would talk further with Mr. Woodward on this subject. He was also told that we felt our participation in the United Nations, NATO and Commonwealth organizations were about all we could handle at the present time, and that even if we viewed this approach with favour we would find it extremely difficult to provide sufficient personnel to enter properly into the various bodies of the Organization of American States. This point, however, would not preclude our going to the 1953 Conference as an observer.

6. We would be most interested to learn from you whether you have recently been approached on this subject, and to have your views of the opinions expressed in the attached memorandum.

L.D. Wilgress
for Secretary of State
for External Affairs

[PIÈCE JOINTE/ENCLOSURE]

DEA/2226-40

Note du Bureau des Affaires des républiques américaines,
département d'État des États-Unis

Memorandum by American Republics Affairs Bureau,
Department of State of United States

Confidential [Washington,] September 3, 1952

POSSIBLE INVITATION TO CANADA TO ACCEPT OBSERVER STATUS AT TENTH INTER-AMERICAN CONFERENCE

As you requested, this memorandum, in which BNA (British Commonwealth and North European Division) has concurred, has been prepared for your background in connection with the discussion you indicated you would have with Ambassador Wrong. The immediate question is whether Canada would accept observer status at the Tenth Inter-American Conference to be held in Caracas in 1953, if an invitation should be extended. Dr. Lleras Camargo, Secretary General of the Organization of American States, is convinced that the action necessary to extend the invitation cannot be taken successfully unless there is good reason to believe that it would be accepted.

The principal arguments for acceptance which might be addressed to the Canadian are: (1) that the gesture of good will would be well received by and would influence attitudes of the representatives of governments with which Canada is presumably anxious to develop increased economic relations, with which she must deal in the United Nations and other international organizations of which she and they are members, and whose continued cooperation in the development of the strength of the free world is indispensable; (2) that, without commitment as to eventual membership in the Organization of American States and its constituent organs, the observer status would offer Canada an opportunity to become fully acquainted with the nature and function of the Organization; (3) that from the purely intelligence point of view, the opportunity to acquire information regarding the activities and motivations of the governments of the twenty Latin American Republics should be valuable to Canada; and (4) that Canadians have participated in Inter-American meetings, such as the recent Consultation on Geography, with what may be assumed to be mutually beneficial results.

The chief Canadian objection is likely to be that acceptance of observer status would be regarded as a first step toward eventual membership in the OAS, a role which they do not seem to wish to assume. Their antipathy toward such membership appears to stem from (1) a somewhat personalized psychological disinclination to be associated with Latin Americans, many of whom they do not respect and frequently distrust; (2) concern lest membership in the OAS might somehow be interpreted as a weakening of bonds with the members of the British Commonwealth and their NATO relationships; (3) opposition to contributing to the costs of an additional international organization; (4) unwillingness to run the risk of becoming involved through the operations of the OAS peace and security machinery in disputes among American Republics; (5) concern lest they be placed in an awkward position in relation to the long standing controversies between the UK and certain of the Latin American countries over territorial matters.

For your own information, some of the principal advantages to the United States of Canadian membership in the OAS seem to be: (1) that this would tend to ameliorate somewhat the unique position of the United States as the only English-speaking member; (2) that another country with a high degree of both the theory and practice of representative government would be a valuable contributor to the liberal principles which are the declared aim of Latin American countries, but which are so often contradicted by them in practice; (3) Canada's membership would remove one of the difficulties in the way of extending the practice of having inter-American specialized organizations serve as the regional units of United Nations organizations; (4) Canadian officials and experts in specialized fields could make valuable contributions to the solution of American problems; (5) it would help to round out whatever geographical basis there is to the hemisphere as an international region; (6) Canada's weight would be helpful in efforts to preserve inter-American peace. (It is doubtful, however, that, so long as the basic concept of the North Atlantic Treaty is maintained, Canada's participation in the Rio Treaty would offer any striking gain to security from outside the hemisphere.)

1041. DEA/2226-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

DESPATCH No. 2074 Washington, September 25, 1952

CONFIDENTIAL

SUGGESTED PRESENCE OF CANADIAN OBSERVERS AT THE NEXT INTER-AMERICAN CONFERENCE

Reference: Your Despatch EX-1456 of September 13th.

1. I have read with much interest your despatch and the State Department memorandum, of which a copy was enclosed. I have not been approached by either Mr. Freeman Matthews or Mr. Miller[6] on this subject. Mr. Matthews is at present on leave, and it may be that he will get in touch with me on his return. A good many months have passed since the question of Canadian participation in the Organization of American States was last mentioned to me. It has never been discussed with me except in a very informal manner, usually by Mr. Miller when I encountered him at some social function.

2. If the State Department does put to me the question of the acceptance by Canada of observer status at next year's Conference at Caracas, I intend to adopt a position of cautious reserve. I find the arguments in favour of Canadian acceptance which are set forth in the second paragraph of the State Department memorandum far from convincing. It is quite possible that there would be benefits to Canada on the lines suggested in the first argument, but I should think that we can get in other ways the advantages suggested in the second, third and fourth arguments. The statement of Canadian objections in the third paragraph is, of course, incomplete, and an additional objection not mentioned is the ignorance of the Canadian public of the Organization of American States and the prevailing lack of interest in a closer association of Canada with its operations.

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[6] Edward G. Miller, sous-secrétaire d'État aux Affaires interaméricaines, département d'État des États-Unis.
Edward G. Miller, Assistant Secretary of State for Inter-American Affairs, Department of State of United States.

3. I find indeed that the statement in the final paragraph of the principal advantages to the United States of Canadian membership in the O.A.S. contains more convincing arguments for acceptance of the suggestion that Canadian observers should attend the next Conference. I have long held the view that what Canada would get out of closer association with the O.A.S. was much less important than what Canada might put into it. The fact that the Department of State is of the opinion that Canadian membership would make a contribution of value in a number of different ways is to me a more appealing argument in favour of acceptance of the proposal for a trial run at Caracas in observer status than any enumeration which can be made of direct benefits to Canada which might conceivably result.

4. It would not be beyond our capacity to send a small delegation to Caracas for this Conference, and the experience so acquired would be of value in examining the justification of continuing to pursue our policy of aloofness. The main argument against such a course, however, is that it would thereafter be difficult to disengage ourselves and to refuse further proposals for a continuing closer association with the O.A.S. For this reason I am inclined to hope that you will authorize me to inform the State Department in due course that, while we appreciate the suggestion, we should not like to receive an official invitation at the present time.

H.H. WRONG

1042. DEA/2226-40

Note du sous-secrétaire d'État aux Affaires extérieures pour le secrétaire d'État aux Affaires extérieures

Memorandum from Under-Secretary of State for External Affairs to Secretary of State for External Affairs

CONFIDENTIAL Ottawa, October 8, 1952

OBSERVER STATUS FOR CANADA AT 10TH INTER-AMERICAN CONFERENCE OF THE ORGANIZATION OF AMERICAN STATES TO BE HELD IN VENEZUELA LATE IN 1953

On September 12, Mr. Morgan, Counsellor of the U.S. Embassy, left with the American Division a copy of the attached memorandum of September 3[7] on this question which was prepared as a brief for the State Department's use in approaching Mr. Wrong in the matter. It will be seen that the State Department apparently plans to raise with Mr. Wrong the question of Canada accepting *observer* status at the 1953 O.A.S. Conference, although the memorandum includes arguments in favour of Canadian *membership* in the O.A.S.

We recently learned informally from a member of the Canadian desk of the State Department that the U.S. Embassy received the memorandum for its information only, and had no instructions to take up the question with us, but

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[7] Annexe, document 1040./Enclosure, Document 1040.

Mr. Wrong has now asked for instructions as to how he should handle any proposal that is made to him.

Attached are the significant portions of:

(a) Our despatch No. X1456 of September 13 to Mr. Wrong in which we sought his views on the State Department memorandum and indicated the information on current Canadian policy regarding the O.A.S. which the American Division had given informally to Mr. Morgan when he called;

(b) Mr. Wrong's despatch No. 2074 of September 25, giving his views regarding the State Department memorandum.

The U.S. memorandum contains some impressive arguments in favour of acceptance of observer status at the 1953 meetings and of Canadian membership in the O.A.S. The counter-arguments in the attached papers are, however, pretty compelling at the present time and one of the main problems in accepting observer status in 1953 would be that it would then be more difficult to put off further proposals for a closer association with the O.A.S.

I am not convinced that membership in the O.A.S. would benefit Canada or improve our situation to a degree corresponding to the effort involved; also, I take it that under present circumstances our contribution to the Organization could not be substantial. Our existing attitude towards observer status and membership might, of course, become difficult to maintain if considerable pressure were brought to bear on us by several members of the Organization to join it, and the whole position would have to be reconsidered if some day an inter-American economic agreement provided a new structure, not only for inter-American trade, but also for the treatment of foreign enterprises in all the other American countries.

On balance, I do not feel I can recommend that we become more closely associated with the O.A.S. at this time. If you agree, I propose asking the American Division to prepare a message to Mr. Wrong authorizing him, as he suggests in his final paragraph, to reply to any State Department approach that while we appreciate the suggestion of observer status, we would not like to receive an official invitation at the present time.

As the question of Canadian association with the O.A.S. does not appear to have been before other Ministers since 1947, you might prefer to raise the matter with Mr. Howe, or with the Cabinet on Thursday, before I reply to Mr. Wrong.

L.D. W[ILGRESS]

1043. DEA/2226-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassade aux États-Unis

Secretary of State for External Affairs
to Embassy in United States

TELEGRAM EX-2025 Ottawa, October 18, 1952

CONFIDENTIAL

SUGGESTED PRESENCE OF CANADIAN OBSERVERS AT THE NEXT INTER-AMERICAN CONFERENCE

Reference: Your despatch No. 2074 of September 25, 1952.

Following from Wilgress, Begins: I am very grateful to you for letting me have, in your despatch under reference, your views on this question.

2. My immediately following telegram† quotes memorandum of October 8 in the matter that I gave to the Minister. He had intended raising the question at the Cabinet meeting on October 9. An opportunity did not arise, however, and Mr. Pearson feels that it should now be possible to defer Cabinet consideration of the problem until after the General Assembly of the United Nations, since the Caracas Conference will be held late in 1953.

3. In the circumstances, should the State Department approach you, I should appreciate it if you would take the line that, as Mr. Pearson will be in New York for some time and as the question of Canadian attendance at the 1953 conference does not appear to be urgent at this stage, you doubt that there is much point in discussing the matter at the present time.

4. For your own information, Mr. Pearson has no strong views as to whether or not Canada should accept observer status and will be content to be guided by the views of his colleagues.

5. I should add a word of explanation about the opening words of the second paragraph of the memorandum of October 8. When Mr. Wight of the State Department was in Ottawa at a reception after the last P.J.B.D. meeting, Mr. Eberts, hoping to learn whether the State Department expected any report on our reactions to its memorandum before it approached you, said that the U.S. Embassy had mentioned to us a State Department memorandum on the O.A.S. To protect Mr. Morgan's position, it was not indicated that he had left a copy of the memorandum with us. Mr. Wight, while apparently not in the least concerned that we had been told of the memorandum, made it clear that, so far as he knew, it had been sent to the U.S. Embassy for its information, without any instructions to take it up with us, and that it was not planned to use the Embassy here as a channel for discussion of the observer proposal. The substance of the State Department's memorandum was not discussed with Mr. Wight.

6. It was as recently as October 16 that Mr. Morgan last asked whether the Department had reached any conclusion regarding the State Department's

memorandum. If and when the U.S. Embassy approaches us again, we plan to say that Mr. Pearson did not have an opportunity to consult his colleagues before he left and that, as he will be away for some time and the matter does not appear urgent, we do not think a decision could be reached for the present. We will also suggest that, if the State Department is still thinking of approaching you some time, it would seem preferable to confine discussion to Washington in order to avoid the misunderstandings and confusion that might arise from dealing with the matter through two channels. Ends.

1044. DEA/2226-40

Le sous-secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis

Under-Secretary of State for External Affairs
to Ambassador in United States

LETTER No. X-1654 Washington, October 28, 1952

CONFIDENTIAL

SUGGESTED PRESENCE OF CANADIAN OBSERVERS AT THE NEXT INTER-AMERICAN CONFERENCE OF THE ORGANIZATION OF AMERICAN STATES

Reference: Our telegram No. X-2025 of Oct. 18.†

We thought you might be interested to learn that Mr. Morgan, Counsellor of the United States Embassy in Ottawa, called on Mr. Stark last week to enquire whether any decision had been reached on this question. Mr. Stark spoke to him along the lines mentioned in paragraph 6 of our telegram to you, returned the copy of the State Department memorandum which Mr. Morgan had originally given him and stressed the fact that, in order to avoid any confusion, it seemed preferable to confine discussion to Washington.

2. You will recall from paragraph 5 of our despatch no. X-4516[8] of September 13 that we had asked Mr. Morgan if his Ambassador or he were of the opinion that our entry into the O.A.S. would have any effect upon the friendly relations now existing between the United States and Canada. You may be interested to know that in Mr. Morgan's informal talk with Mr. Stark he mentioned he had discussed this point with Mr. Woodward and that his Ambassador did not foresee that any question of substance could arise in the O.A.S. on which Canada might take such a strong position in favour of a Latin-American country that U.S.-Canadian relations would be prejudiced.

C.C. EBERTS
for Under-Secretary of State
for External Affairs

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[8] La dépêche nº X-4516 devrait porter le nº X-1456.
Despatch No. X-4516 should be X-1456.

1045. DEA/2226-40

Le secrétaire d'État aux Affaires extérieures au chargé d'affaires au Mexique

Secretary of State for External Affairs to Chargé d'Affaires in Mexico

DESPATCH X-345[9] Ottawa, October 28, 1952

CONFIDENTIAL

OBSERVER STATUS FOR CANADA AT 10TH INTER-AMERICAN CONFERENCE OF THE ORGANIZATION OF AMERICAN STATES TO BE HELD IN VENEZUELA LATE IN 1953

Early in September the United States Embassy showed us, informally, a State Department memorandum of September 3 on this subject. This memorandum, which indicated that the State Department planned to raise the matter with the Ambassador in Washington, was brought to the attention of Mr. Wrong in our despatch no. X-1456 of September 13. Mr. Wrong then gave his views in despatch no. 2074 of September 25. On October 8, a departmental memorandum on the question was prepared for me. As, however, I did not have an opportunity to discuss this matter in Cabinet before leaving for the General Assembly of the United Nations, Mr. Wrong was informed in a telegram of October 18, that Cabinet consideration of the problem was unlikely until after the General Assembly. Copies of all above-mentioned papers are enclosed.

2. I would appreciate receiving from you at an early date any suggestions or comments you wish to make concerning this question of Canadian observers attending the 10th Inter-American Conference of the Organization of American States. You will appreciate that discussion of the question at this stage with officials of the O.A.S. or of any governments that are members of the Organization would not be desirable since it might well lead to additional pressure for us to send observers to the 1953 Conference before the Canadian Government has an opportunity to formulate views in the matter.

3. I am sending a similar despatch to all our offices in Latin America.

R.A. MACKAY
for Secretary of State
for External Affairs

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[9] Un message semblable a été envoyé à Rio de Janeiro, n° 294 ; Lima, n° 198 ; Santiago, n° 292; Buenos Aires, n° 335 ; Caracas, n° 179 et La Havane, n° 234.
A similar message was sent to Rio de Janeiro, No. 294; Lima, No. 198; Santiago, No. 292; Buenos Aires, No. 335; Caracas, No. 179 and Havana, No. 234.

1046. DEA/2226-40

Le chargé d'affaires au Mexique
au secrétaire d'État aux Affaires extérieures

Chargé d'Affaires in Mexico
to Secretary of State for External Affairs

DESPATCH 479 Mexico City, November 19, 1952

CONFIDENTIAL

OBSERVER STATUS FOR CANADA AT NEXT O.A.S. MEETING

Reference: Your despatch No. X-345, October 28, 1952, and our air telegram No. 14 of November 15, 1952.†

Since the Ambassador is at the General Assembly and will not return until after the next courier leaves on November 21, we suggested in our air telegram that you might get his personal views in New York. In the meantime, we offer an interim reply.

2. In the first place we have tried to look at the matter specifically from the local point of view of this Embassy. We find it hard to believe that O.A.S. membership could help us materially to get more information than we can get now (points 2 and 3 of the arguments for acceptance in the U.S. memorandum). There are no political problems between Mexico and Canada that membership would help solve. We think, on point 1, that our present good relations with Mexico already constitute an excellent background for the steadily increasing trade between the two countries. On point 4, so far as we know, Canada has participated only in meetings on technical subjects.

3. So far as Mexico is concerned, therefore, we can see no great advantage in closer approach to O.A.S. It is fair to add that neither do we see any real objection or disadvantage.

4. In the wider sphere, it seems to us that of the four U.S. arguments for acceptance, the one requiring serious study is the first. If we were to make a "gesture of goodwill" by accepting observer status at Caracas it is doubtless true that our gesture would be well received; in fact it might well cause a wave of enthusiasm. But underlying this, we suspect, would be the assumption that Canada was now well on the way in, and that her full membership would follow as a matter of course. What then would be the result when, or if, it should become apparent that Canada was not prepared to accept membership? So far as goodwill is concerned, would the reaction be strong enough to leave in the end a minus rather than a plus result? Or, if our Canadian attitude and our reasons for hesitation were tactfully and skillfully explained would the Latin-Americans be content to accept the half loaf and have us in there as perennial observers, while still cherishing the hope that we would some day be members? (Once we accept observer status at Caracas I do not see how we can then draw back to our present aloofness; we are going to be observers from there on into the indefinite future, or until we accept membership.)

5. That question of Latin-American reaction seems to be the principal factor. Another important one is the suggestion made in the U.S. memorandum that Canadian membership could make a valuable contribution in various ways. This is the point which appealed strongly to Mr. Wrong (paragraph 3 of his despatch). It deserves serious consideration. A third is the possibility, often mentioned in previous discussions, that we might find ourselves in an awkward position if compelled to take a stand one way or the other in any controversy between the United States and one, or more, of all of the Latin-American members.

6. Our conclusion is while we should not hastily rule out the possibility of accepting observer status we must not accept it until we have studied these and all other factors and have decided that we are aware of all possible consequences and prepared to accept them.

7. I do not know whether the Ambassador will fully agree with what I have said here; I understand he inclines toward caution in approaching closer to O.A.S. but I have had no opportunity to consult him. I hope you were able to get his opinion in New York. If he wishes to make any further comments from here he can use either the December courier or an air telegram.

8. We assume you will keep us advised of developments; we shall be interested.

M.T. STEWART

1047. DEA/2226-40

L'ambassadeur à Cuba
au secrétaire d'État aux Affaires extérieures

Ambassador in Cuba
to Secretary of State for External Affairs

DESPATCH D-367 Havana, November 20, 1952

CONFIDENTIAL

OBSERVER STATUS FOR CANADA AT 10TH INTER-AMERICAN CONFERENCE OF THE ORGANIZATION OF AMERICAN STATES TO BE HELD IN VENEZUELA

Reference: Your despatch No. X-234 of October 28, 1952.[10]

I should like to make only one point concerning the desirability of Canada sending an Observer to Caracas next year. It seems to me that the invitation should be considered in the light of the fact that Canada will very shortly be establishing diplomatic relations with three countries which are members of the OAS and that a Goodwill and Trade Mission headed by a senior Cabinet Minister will tour through Latin America early in the new year. Taken alone, these events could indicate merely an increased Canadian interest in trade relations with Latin America. However, if in addition Canada accepts an invitation to send an Observer to Caracas, it will, I suggest, be impossible to avoid the appearance that the Canadian Government is now prepared to play a more active role *politically* in Latin America. I agree too that if we sent an Observer, it would be difficult to avoid increasing our activities in the OAS and thereby giving the impression that we intend eventually to apply for full membership.

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[10] Le document 1045./Document 1045.

2. I understand that a policy paper on Canada's relations with Latin America has been under discussion for the past year in the departments of External Affairs and Trade and Commerce; no doubt Canada's attitude toward the OAS has been thoroughly reconsidered there. In any case the arguments for and against Canadian membership are well known. I should like however to express my agreement with Mr. Wrong's view that the benefits to Canada of closer association with the OAS would be much less important than what Canada could put into the Organization. The question which must be answered therefore is whether Canada is yet willing to assume the added responsibilities which more active participation in the OAS would entail.

3. The State Department memorandum of September 3 is unusually interesting, in particular the last paragraph which indicates the extent to which their views on Canadian membership in the OAS have changed in the last few years. I was also struck by the suggestion in paragraph three that Canadian opposition to membership in the Organization stems from "a somewhat personalized psychological disinclination to be associated with Latin Americans, many of whom they do not respect and frequently distrust." My personal experience confirms the truth of this statement. Moreover I think that Latin Americans are aware of this Canadian feeling toward them and that to be realistic we ought to discount somewhat suggestions that there is nothing but good will toward Canada in Latin America. I do not know how Canadian membership in the OAS would affect the situation but it would undoubtedly force many Canadians to reconsider their attitude toward the inhabitants of this part of the world.

HARRY A. SCOTT

1048. DEA/2226-40

L'ambassadeur au Venezuela au secrétaire d'État aux Affaires extérieures

Ambassador in Venezuela to Secretary of State for External Affairs

DESPATCH 267 Caracas, December 30, 1952

CONFIDENTIAL

OBSERVER STATUS FOR CANADA AT 10TH INTER-AMERICAN CONFERENCE OF THE ORGANIZATION OF AMERICAN STATES TO BE HELD IN VENEZUELA LATE IN 1953

Reference: Your Despatch No. X-179 of October 28, 1952.[11]

One of the unfinished matters awaiting me was your above mentioned despatch.

2. It is rather difficult for me to make any comments or suggestions in regard to the desirability of a Canadian observer to attend the 10th Inter-American Conference of the Organization of American States. In view of the recent changes in the political situation here and also, I understand, the fact that one of the matters which might come up for discussion would be the granting of asylum to political refugees which might be a very contentious matter, it is quite possible that this conference may not be held at the time and place suggested.

3. It would appear to me that should we accept an observer status at such a meeting that this would mean opening the door to an invitation to full membership which, if it were accepted, would put us in a position of at some time or other, having to support the other English-speaking member (U.S.A.) or support the Latin-American group which would seem to be a very undesirable position to be in.

4. I have not had the opportunity to get the feeling as to whether or not our relations with the Venezuelan Government and people will be in any way improved as a result of appointing an observer and subsequently obtaining membership but for the reasons indicated above, I feel that it is undesirable.

HENRY G. NORMAN

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[11] Le document 1045./Document 1045.

1049. DEA/2226-40

L'ambassadeur au Mexique
au sous-secrétaire d'État aux Affaires extérieures

Ambassador in Mexico
to Under-Secretary of State for External Affairs

LETTER No. 19 Mexico City, January 14, 1953

OBSERVER STATUS FOR CANADA AT 10TH INTER-AMERICAN CONFERENCE
OF THE ORGANIZATION OF AMERICAN STATES
TO BE HELD IN VENEZUELA LATE IN 1953

Reference: Our despatch No. 479 of November 19, 1952.

I do not propose going over ground already covered in the despatch under reference or in Mr. Wrong's despatch No. 2074 of September 25, 1952. With the views expressed in both those despatches I am in complete agreement. I would, however, like to go over some aspects of this question which may bear a little emphasis.

2. In my opinion Canada, at the present time, is taking much too little interest in Latin-American affairs and for that reason does not make full use, except commercially, of existing facilities here, namely eight (at the time of writing) full-fledged diplomatic missions, to achieve some of the desirable aims outlined in the State Department's memorandum of September 23, 1952,[12] which brought about this enquiry.

3. Without actively participating in the work of the OAS, either as a full-fledged member or as an observer at the Caracas meeting, it would I think be possible to go some way towards:

(a) ensuring the continued cooperation of the Latin-American countries in the development of the strength of the free world;

(b) combatting the anti-Yankee campaign which is spreading in Latin America: a campaign fanned by narrow nationalistic groups who are frequently supported by the Communists;

(c) contributing to the fuller acceptance of those liberal principles which are the avowed aim of the Latin-American republics, but which are so frequently contradicted by them in practice; and

(d) solving Latin-American economic and political problems by increased technical assistance, etc.

4. My officers and I have already gone into the question of ways and means whereby Canadian activities in Latin America could be increased without necessarily enmeshing Canada in OAS affairs. You may wish to review my despatch No. D.231 of June 5, 1952,† commenting on the Department's draft policy paper on Latin America, in which several such examples are given. In

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[12] La date exacte est le 3 septembre ; voir annexe, document 1040.
The correct date is September 3; see enclosure, document 1040.

this connection, you may also wish to refer to a memorandum prepared by my Information Officer on January 10, 1952,[13] at the behest of Mr. H.O. Moran, on the development of Canadian information and cultural activities in this part of the world.

5. Only when Canada will have exhausted the potential influence which she could exercise in Latin America through encouraging the activities of her missions, should she, in my opinion, give consideration to aligning herself more closely with the OAS. If ever the time should come when Canada will feel disposed to accept an invitation to join the OAS, she will then be in a better position to make an effectual contribution to the work of the OAS.

C.P. HÉBERT

1050. DEA/2226-40

L'ambassadeur au Brésil
au secrétaire d'État aux Affaires extérieures

Ambassador in Brazil
to Secretary of State for External Affairs

DESPATCH 21 Rio de Janeiro, January 21, 1953

CONFIDENTIAL

OBSERVER STATUS FOR CANADA AT 10TH INTER-AMERICAN CONFERENCE OF THE ORGANIZATION OF AMERICAN STATES TO BE HELD IN VENEZUELA LATE IN 1953

Reference: Your despatch No. X-294 of October 28, 1952.[14]

I have given considerable thought to this question. I can, of course, speak only from my experience in Brazil and in Cuba during the past four years.

2. In my humble judgment, acceptance of any invitation to send observers to the 10th Inter-American Conference of the Organization of American States to be held in Venezuela late in 1953 would be tantamount to a decision to join the Organization, or, at the very least, as suggested in Mr. Wrong's despatch of September 25th, it would be difficult to disengage ourselves and to refuse further proposals for a continuing closer association with the O.A.S. The matter, therefore, resolves itself into the question as to whether Canada is prepared to consider favourably the suggestion of becoming a member of the O.A.S. On the larger political issue, my views, I feel, may be of little value and I shall, therefore, confine my observations largely to reporting on the situation, as I see it, in Brazil and my earlier experience in Cuba.

3. Since I came to Brazil more than fourteen months ago, no Minister or other official of the Brazilian Government has ever mentioned the O.A.S. to me. They frequently discuss their co-operation with Canada in the United Nations and its agencies, such as the World Health Organization and

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[13] Non retrouvée./Not located.

[14] Le document 1045./Document 1045.

U.N.E.S.C.O. It is, of course, possible as the time for the 10th Conference approaches, greater interest may be manifested and, if so, I shall promptly report.

4. The only agency of the O.A.S. with headquarters in Brazil is the Inter-American Juridical Committee. The United States of America has a permanent representative on this Committee, Mr. George Hodges Owen. Mr. Owen is a personal friend and has recently sent me the draft report of the Committee on Uniformity of Legislation in International Cooperation in Judicial Procedures. I suspect, with all respect to the other members of the Committee, that the report has been largely prepared by Mr. Owen, for it emphasizes that both in the United States and Canada, many of the questions under study are matters not for the Federal Legislatures but for the States and Provinces respectively and stresses that procedures based on the English Common Law are in force in most of the States of the Union and in nine of the ten Provinces of Canada. From time to time, Mr. Owen has asked me questions about Canadian systems of law, and I think his reference to Canada in the draft report is to reinforce his argument that many of the suggestions put forward in the Committee discussions are not practicable for the countries in the Americas, which have a fixed division of powers between the Federal and State (or Provincial) Legislatures.

5. During the recent visit of the Canadian Goodwill and Trade Mission headed by the Rt. Hon. C.D. Howe, Mr. Howe and other officials had several conversations with leading members of the Brazilian Government but I cannot recollect that any question was raised which even remotely touched Canada's participation in the O.A.S.

6. My conclusion is that Brazil would probably welcome Canada's participation in the O.A.S., because the feeling of both the Government and the people is one of exceeding friendliness to Canada. On the other hand, it must be kept in mind that, after the United States, Brazil is the most populous of the other States and, to a limited degree, keeps aloof from the Spanish speaking Republics. In other words, it regards itself as No. 2 in the Union; if Canada should join, the Brazilians might feel that, having regard to our greater trade and greater national wealth, we would elbow them out of this position. If, in any controversy, we should agree with the United States, we might be represented as simply following the United States line as a satellite; if, on the other hand, we disagreed with the United States, the effort might be made to use Canada as the spear-head of the opposition. It is properly pointed out in Mr. Wrong's despatch of September 25th, 1952, that there is a lack of interest on the part of the Canadian public in the O.A.S. It may be unfortunate but I cannot conceive of very many of our people becoming very interested in a dispute between Paraguay and Brazil, unless, indeed, the issues involved should be such as to threaten world peace.

7. In Cuba, on the other hand, between 1949-1951, I found a much greater interest in the O.A.S., probably due to the fact that the O.A.S. was called upon to adjudicate differences between Cuba and the Dominican Republic.

8. One of the questions occasionally raised was the Colonial issue as affecting the British, French and Dutch colonies and territories in this Hemisphere. While the cooler heads were inclined to deprecate pressing the question, undoubtedly there were others, who not appreciating the efforts made by the Mother Countries for the benefit, in most cases, of the peoples resident in these colonies and territories, were disposed to emulate Bolivar and to try to assist the population to throw off the yoke of the European oppressors! This is a question which may be pressed at any time and, in respect of it, I am afraid our attitude would be liable to misrepresentation, for the logical Latin mind finds it difficult to understand our position in the Commonwealth, and that the units have a common Sovereign and yet are not subordinate one to the other.

9. While I am very anxious that Canada should cultivate the closest possible relations with Latin America, I am not convinced that the most effective measure to be taken to that end is by becoming a member of the Organization of American States at the present time. I realize that there are many weighty arguments on the other side, but, on balance, this paragraph expresses my conclusion in the light of my experience. Again, however, I feel that, if we are not prepared to join the Union, we should not be represented by official observers at a general Conference; to send observers and then decide not to join would, I am sure, have a deteriorative effect on our relations with many, if not all, of the component States.

E.H. COLEMAN

1051. DEA/2226-40

L'ambassadeur au Chili
au secrétaire d'État aux Affaires extérieures

Ambassador in Chile
to Secretary of State for External Affairs

DESPATCH 21 Santiago, January 21, 1953

CONFIDENTIAL

OBSERVER STATUS FOR CANADA AT 10TH INTER-AMERICAN CONFERENCE OF THE ORGANIZATION OF AMERICAN STATES TO BE HELD IN VENEZUELA LATE IN 1953

Reference: Your despatch No. X-292 of October 28, 1952.[15]

My absence on annual leave has prevented me from sending you my views at an earlier date. I should like at least to outline my reasoning on this subject.

2. I think we have to agree that many Canadians have a superiority complex towards Latin Americans. The State Department memorandum of September 3, 1952, rather crudely attributes this attitude to "a somewhat personalized psychological disinclination to be associated with Latin Americans, many of whom they do not respect and frequently distrust." We have on our files a copy

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[15] Voir le document 1045./See Document 1045.

of a letter of January 11, 1950, addressed to Mr. Heeney by Mr. Wrong which says: "I remarked to Mr. Kennan — and he did not disagree — that Pan American conferences seemed to me to be more wasting of time and effort than any of the too numerous international gatherings at which we were now represented."

3. Latin Americans, who do not lack intuition, are becoming aware of our above-described attitude. As an illustration of this statement, I might refer you to the comments of the Brazilian press when we abstained from attending the First Congress of the Latin Union (Mr. Morin's despatch of November 9, 1951).

4. From time to time we make known our desire to develop our trade with Latin American countries. In this connection, we should bear in mind that they are countries where sentiment plays a part, in addition to reason. Possibly it should not be so, but it is. Unless we show active marks of consideration and friendship, I doubt that we shall reap from them the commercial advantages which we might otherwise expect.

5. I may be unduly influenced by the fact that I operate in a Latin American post. I want nevertheless to say that, in my opinion, we have not yet acquired the habit of giving to Latin America the relative importance which it has. For instance, the Meeting of Heads of Divisions reports, and especially our Departmental reports to Cabinet, contain far more on India and Pakistan than they do on all the Latin American republics taken together. Politically, of course, Latin America does not constitute at present a vital zone, such as the Far East, where the Communist menace is supreme. Economically, however, taking into account the long-term possibilities offered to us by the similarly under-developed Latin American area, I submit that we should gradually increase our concern about it. Without ceasing to look East and West, we should also look farther South than the United States.[16]

6. The argument for non-participation based on lack of knowledge of the O.A.S. by the Canadian public appears to me one which should prompt us to send an observer. Ignorance is a poor argument on the part of one who is offered the means to learn. Regular Inter-American Conferences take place only every five years, which means that very little personnel and money would be involved in sending a small delegation of observers. Furthermore, I personally do not see how the sending of observers to the coming Conference would make it difficult for us to refuse closer association with the O.A.S. if we do not want to pursue the experience any further. We could surely make it plain that our sending of observers to Caracas is without any compromise as regards subsequent conferences.[17]

LÉON MAYRAND

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[16] Note marginale :/Marginal note:
Howe mission would agree.

[17] Note marginale :/Marginal note:
doubt this. W.G. S[tark]

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